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HAROLD B. WILLEY,

IN THE

Supreme Court of the United States

OCTOBER TERM, 1953.

No. 363

STRONGHOLD SCREW PRODUCTS, INC.,
Petitioner,

vs.

INDEPENDENT NAIL AND PACKING COMPANY, INC.,
Respondent.

PETITION FOR WRIT OF CERTIORARI.

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September 16, 1953.

THE BLAKELY-WARREN PRINTING COMPANY, CHICAGO

TABLE OF CONTENTS.

	PAGE
Jurisdiction	1
Opinions Below	1
Questions Presented	3
Statement of the Case	4
a. The Facts as to the Use of the Word STRONGHOLD by the Parties	4
b. The Facts as to the Likelihood of Confusion in the Trade	6
c. The Impact of the Decision of the Court of Appeals	7
d. Conclusion as to the Facts	8
Specification of Errors	8
Reasons for Granting the Writ	10
Argument	11
1. The Conflict Between This Decision and Earlier Decisions of This Court and Other of the Courts of Appeals on the Question of the Standards of Descriptiveness Requires an Authoritative Opinion Re-Establishing Uniformity	11
2. The Finding by the Court of Appeals of Infringement of Respondent's Complex Registered Trade-Mark by Petitioner's Use of the Descriptive Word Stronghold Requires This Court to Interpret the Infringement Section of the Lanham Act	15
3. This Extraordinary Situation Requires the Exercise of This Court's Basic Supervisory Jurisdiction to Cause the Court of Appeals to Conform to the Doctrine of Erie Railroad v. Tompkins in Applying the Illinois Law of Unfair Competition	17

4. The Court of Appeals Substituted Its Judgment for That of the District Court in a Matter of the Evaluation of Evidence, Contrary to Rule 52(a), Basing Its Conclusion on Evidence Obtained in Violation of the Rules of Evidence, and Disregarding the Opportunity of the District Court to Adjudge the Credibility of Witnesses 21

Conclusion..... 27

Appendix

TABLE OF AUTHORITIES.

Cases.

Canal Company v. Clark, 13 Wall (80 U. S.) 311..... 12

Computing Scale Co. v. Standard Computing Scale Co., Ltd. (C. A. 6, 1902), 118 F. 965.....8, 13

Elastic Stop Nut Corporation of America v. Greer (D. C. Ill., 1945), 62 F. S. 363.....9, 19

Erie Railroad v. Tompkins (1938), 304 U. S. 64.....
.....3, 9, 10, 17, 19, 20

General Industries Co. v. 20 Wacker Drive Building Corp. (C. A. 7, 1946), 156 F. 2d 474.....9, 18, 19

Good Housekeeping Shops, Inc. v. Hyman Kaye and Harry Cohen Trading as Good Housekeeping Table Pad Company (Ill. App. 1947), 330 Ill. App. 376.....9, 18

Huddleston v. Dwyer (1944), 322 U. S. 232..... 20

Investors Syndicate of America, Inc. v. Edward J. Hughes, Secretary of State (1942), 378 Ill. 413..... 17

Lady Esther, Ltd. v. Lady Esther Corset Shoppe, Inc. (Ill. App. 1943), 317 Ill. App. 451.....9, 17, 18

Metropolitan Opera Assn., Inc. v. Metropolitan Opera Assn. of Chicago, Inc. (D. C. Ill. 1948), 81 F. S. 127..9, 19

Northam Warren Corp v. Universal Cosmetic Co. (C. A. 7, 1927), 18 F. 2d 774..... 15

Rosenberg, et al. v. Shakeproof Lock Washer Mfg. Co. (C. A. 3, 1938), 100 F. 2d 811.....8, 13

Standard Paint Co. v. Trinidad Asphalt Mfg. Co. (1911), 220 U. S. 446.....8, 12

The Stevens-Davis Co. v. Mather and Co., 230 Ill. App. 45..... 17

Vandenbark v. Owens-Illinois Glass Co. (1941), 311 U. S. 538..... 20

Wilhartz v. Turco Products, Inc. (C. A. 7, 1947), 164 F. 2d 731.....9, 19

William R. Warner & Co. v. Eli Lilly & Co. (1924), 265 U. S. 526.....8, 12

Wisconsin Electric Co. v. Dumore Co. (C. A. 6, 1929), 35 F. 2d 555.....8, 14

Statute.

15 U. S. C. § 1114(1)..... 16

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Respondent.

PETITION FOR WRIT OF CERTIORARI.

To the Honorable, the Chief Justice and Associate Justices of the United States:

Petitioner, Stronghold Screw Products, Inc., respectfully prays that a writ of certiorari issue to the United States Court of Appeals for the Seventh Circuit to review the judgment entered by that Court on July 9, 1953, reversing the judgment of the District Court, which had dismissed Respondent's Complaint alleging trade-mark infringement and unfair competition.

JURISDICTION.

Jurisdiction of this Court is invoked under 28 U. S. C., Sec. 1254 (1) and 2101 (c). Judgment was entered by the Court of Appeals on July 9, 1953 (R. 471).

OPINIONS BELOW.

The Opinion of the District Court dated October 1, 1952, (R. 437) is published at 107 F. Supp. 969. The Findings of Fact and Conclusions of Law were entered December 19, 1952, (R. 447).

The Opinion of the Court of Appeals for the Seventh Circuit was entered July 9, 1953, (R. 462) and reported at 98 U. S. P. Q. 172 and 205 F. 2d. .....

The Court of Appeals held Respondent's Registered Trade-Mark:



infringed by Petitioner's logotype:



merely because of the use of the descriptive word:

STRONGHOLD

in which Respondent asserts monopoly rights as applied to fastener products, and held Petitioner's use of this word an infringement of a common law trade-mark and unfair competition.

QUESTIONS PRESENTED.

May a Court of Appeals apply as a test of descriptiveness in trade-mark matters, the concept that a word may be descriptive *only* when used as a noun to name the article, or is that Court required to apply the test laid down by this Court and the other Courts of Appeals that a word is also descriptive when used as an adjective or adverb to describe the qualities or characteristics of the article?

May the descriptive word "Stronghold" be appropriated to the exclusive and monopolized use of Respondent when that word has been employed ONLY with a patented nail characterized by the *strong hold* it has on materials nailed therewith?

May a registrant of a trade-mark consisting of a complex and arbitrary logotype design upon which the descriptive word "Stronghold" appears as one of the components prevent use of the word "Stronghold" alone or in an entirely dissimilar logotype design?

In deciding questions of unfair competition under the doctrine of *Erie* v. *Tompkins*, 304 U. S. 64, is the Court of Appeals required to apply the State law according to the latest State decisions, or is it free to disregard those latest State decisions and independently interpret the meaning of the earlier cases?

May Rule 52 (a) be disregarded by the Court of Appeals when the District Court has made specific Findings on the issues of confusion, descriptiveness and unfair competition, all of which are supported by substantial evidence?

May a Court of Appeals rely solely on clearly improper deposition testimony to set aside Findings which are supported by substantial evidence in the Record made before the District Judge?

STATEMENT OF THE CASE.

Respondent filed its Complaint (R. 3) on April 26, 1948, claiming infringement of a common law trade-mark, infringement of a registered trade-mark and unfair competition. It has waived all claim to damages, but seeks to enjoin Petitioner's further use of the descriptive word STRONGHOLD in the latter's screw, nut and bolt business.

Respondent took depositions in Boston in July, 1949 (R. 17-97), in New York and Ambler, Pennsylvania, in April, 1951 (R. 97-184).

The case was tried on December 3, 4, 5 and 6, 1951 (R. 184-436) before Hon. J. Sam Perry, who had ample opportunity to evaluate the credibility of the principal witnesses.

Judge Perry's opinion (R. 437) and his Findings of Fact and Conclusions of Law (R. 447) completely vindicate Petioner's use of the word STRONGHOLD.

The Court of Appeals ignored the conclusive effect of the Findings of Fact required by Rule 52 (a) and reversed.

a. The Facts as to the Use of the Word By the Parties.

In 1934 Respondent began manufacturing a new nail having a peculiar annular thread with appreciably *increased holding power* over the ordinary smooth-shanked nail. Driven into a piece of wood, the nail's annular thread resisted withdrawal. As Respondent has so aptly stated in its advertising (Pl. Ex. 12, Appendix) the "wood fibers interlock with barbs of the nail, holding it firmly in position." In other words, the barbed thread gave the nail a more firm hold on the wood—a stronger hold. The nail was a strong holding nail. The patents so described it (Pl. Ex. 100, 101).

Respondent's advertising, admittedly extensive, has emphasized the holding power of that nail, and from the

beginning *the particular nail* has been identified as "the Stronghold nail" (R. 188, 269, Finding 9, R. 449). Actually, the word STRONGHOLD was employed by Respondent principally to identify *the particular annular thread* of that nail (R. 26, 41, 45, 51, 72, 257, 269, 271, 274, 275, 300, 304, 308, 312, 313, Finding 8, R. 448). See the first three sheets in the Appendix hereto.

The inception of the use of the word was described by H. James Stone, Respondent's general manager (R. 271-2):

> "Q. Did you have a rule about the use of the word Stronghold on your containers?
>
> "A. Yes. That rule, which I think I myself established, was this: That from 1934 on, and *I am very clear on it,* since I was originally involved in the development of the name Stronghold, we needed to be sure that every item in the plant that was threaded, screw threaded, *with the Stronghold thread,* it needed to be kept distinct from plain smooth shank goods. Therefore we were very careful about the markings on these containers. They had to have the word Stronghold on them, unless there be any confusion." (Emphasis supplied.)

But the intended trade-mark, according to George C. Stone, Respondent's president, was the complex device registered (R. 206-7):

> "Q. Sometime in 1936 did you add another brand name or other mark on these goods?
>
> "A. Well, we used *the trade-mark,* yes. We decided that *instead of using the name alone* we should have some sort of a distinctive mark because the nail was meeting with popular reception and we thought we would capitalize on it, and as a result we designed a very striking, colorful label, *with a trade-mark,* and our idea being to implant THAT and associate it with our product." (Emphasis supplied.)

And associate it with "the product" (singular) they did. The uncontradicted fact is that Respondent used the word

Stronghold only with the nails having the peculiar annular thread until after this suit was filed.

But the Court of Appeals' opinion holds (R. 466):

> "* * * The Court also found that throughout the years plaintiff used the 'Stronghold' designation in connection with only one of its products, to wit, the nail with the annular thread. We think these findings are clearly erroneous."

This case was filed on April 26, 1948. There is not a shred of evidence to show ANY earlier use of the word Stronghold in connection with a product other than the nail with the exceptional holding power. The District Court so found (Findings 10, 11, 16, R. 449-50). The Court of Appeals' statement to the contrary is just plain wrong.

Petitioner first used the word STRONGHOLD on its line of screws, nuts, bolts, etc., in a catalog in October, 1938, the word appearing in script. In 1940 the word was presented in the distinctive logotype and used on all of Petitioner's labels, business forms, stationery, etc.

Respondent was immediately aware of Petitioner's use of the logotype, because the parties were doing business together (R. 399). But H. James Stone testified (R. 278):

> "* * * It did not seem to me that there was anything there that particularly disturbed us."

Not until 1946 did Respondent register its FIRST complaint. Eighteen months later this suit was filed.

b. The Facts as to the Likelihood of Confusion in the Trade.

Respondent failed, utterly, in its attempt to prove the existence or likelihood of confusion in the trade. The District Court so held. George Stone, Respondent's president, testified (R. 260):

"Q. Mr. Stone, can you give us a single instance in

which any of your customers mistakenly bought any products from Stronghold Screw Products instead of your company?

"A. No."

His brother, H. James Stone, Respondent's general manager, testified (R. 286):

"A. I don't know that anyone has been buying from Stronghold Screw Products that meant to buy goods from us. I don't know whether any such case has occurred or not."

This evidence alone should satisfy any test of confusion or likelihood of confusion. The parties operated for 13 years (1938 to 1951—date of the trial) without one single case of confusion coming to the attention of Respondent's officers.

c. The Impact of the Decision of the Court of Appeals.

The Court of Appeals' decision sanctions and approves Respondent's devious attempt to do by indirection and subterfuge that which the law does not permit it to do openly and that which it had decided not to do in 1936—use "Stronghold" as a technical trade-mark (R. 206-7).

The Court of Appeals has approved a monopoly in the obviously descriptive word "Stronghold",—merely one component of the complex device registered. By attempting to enforce the descriptive component, Respondent has circumvented the legal safeguards which protect the public.

The decision of the Court of Appeals approves this circuitous practice which will destroy the public right to employ common terms of the language in their descriptive meanings, without interference from schemers who register a complex device and then enforce the parts thereof piecemeal.

d. Conclusion as to the Facts.

The parties hereto have both used the descriptive word "Stronghold" in the fastener field for years. During that time no confusion of source or goods has ever arisen.

Respondent has employed the word descriptively in advertising the nail with the peculiar annular thread. Only long after the suit was filed did Respondent employ the word other than to identify the particular threaded product.

Petitioner's use of the word has been in its distinctive logotype form since 1940, and in script since 1938. It has been applied to Petitioner's entire line of fasteners.

The judgment of the Court of Appeals will, unless corrected, require Petitioner to change its corporate name and destroy its logotype—in use since 1940. It approves a practice in which a complex device is registered and the descriptive parts enforced piecemeal.

SPECIFICATION OF ERRORS.

1. The decision of the Court of Appeals giving sanction to a claim of monopoly in a descriptive word conflicts with prior decisions of this Court and of the Courts of Appeals of other Circuits.

Standard Paint Co. v. *Trinidad Asphalt Mfg. Co.* (1911), 220 U. S. 446.

William R. Warner & Co. v. *Eli Lilly & Co.* (1924), 265 U. S. 526.

Rosenberg v. *Shakeproof Lock Washer Co.* (C. A. 3, 1938), 100 F. 2d 811,

Computing Scale Co. v. *Standard Computing Scale Co., Ltd.* (C. A. 6, 1902), 118 F. 965.

Wisconsin Electric Co. v. *Dumore Co.* (C. A. 6, 1929), 35 F. 2d 555.

2. The decision of the Court of Appeals sanctions a circuitous evasion of the basic trade-mark law forbidding the enforcement of trade-mark rights in descriptive words which are but a component of a complex registered mark.

3. The decision of the Court of Appeals, while giving lip-service to the mandate of *Erie Railroad* v. *Tompkins*, promulgates an interpretation of the law of unfair competition which directly conflicts with the law of Illinois, as expounded by the Illinois Appellate Court and followed by earlier decisions of the United States courts.

Erie Railroad v. *Tompkins* (1938), 304 U. S. 64.

Lady Esther, Ltd. v. *Lady Esther Corset Shoppe, Inc.* (Ill. App., 1943), 317 Ill. App. 451.

Good Housekeeping Shops, Inc. v. *Hyman Kaye and Harry Cohen Trading as Good Housekeeping Table Pad Company* (Ill. App., 1947), 330 Ill. App. 376.

General Industries Co. v. *20 Wacker Drive Building Corp.* (C. A. 7, 1946), 156 F. 2d 474.

Wilhartz v. *Turco Products, Inc.* (C. A. 7, 1947), 164 F. 2d 731.

Elastic Stop Nut Corporation of America v. *Greer* (D. C. Ill., 1945), 62 F. S. 363.

Metropolitan Opera Assn., Inc. v. *Metropolitan Opera Assn. of Chicago, Inc.* (D. C. Ill., 1948), 81 F. S. 127.

4. The Court of Appeals set aside the Findings of Fact of the District Court in clear contravention of Rule 52(a), since those Findings are supported by substantial evidence.

5. The Court of Appeals erred in relying on deposition testimony elicited in response to objectionable leading questions to set aside Findings based on testimony obtained in Court according to the Rules of Evidence.

REASONS FOR GRANTING THE WRIT.

The Courts of Appeals are deviating from the test of descriptiveness laid down by this Court. It is vital that uniformity be re-established. Likewise no authoritative interpretation of the infringement section of the Lanham Act has been made. The section is new and requires a clarifying opinion. The Courts of Appeals continue to circumvent Rule 52(a), and an additional statement is required to hold that tendency in check.

A novel question is presented in this case as a result of the reliance by the Court of Appeals on the clearly objectionable deposition evidence. The use of such testimony by Courts of Appeals as the basis for setting aside Findings must be prevented.

The truly extraordinary situation here requires the exercise of the Court's basic supervisory jurisdiction to obtain compliance by the lower Courts with the letter and the spirit of the doctrine of *Erie Railroad* v. *Tompkins*. Federal Courts are not permitted to expound the State law without regard to the latest State decisions, thereby circumventing *Erie* v. *Tompkins*.

ARGUMENT.

1. The Conflict Between This Decision and Earlier Decisions of This Court and Other of the Courts of Appeals on the Question of the Standards of Descriptiveness Requires an Authoritative Opinion Re-Establishing Uniformity.

The Court of Appeals set aside the District Court's Findings Nos. 10, 11 and 17 (R. 449-50) (that the word STRONGHOLD is descriptive as used by Respondent). The legal test applied to reach this result appears in the opinion (R. 466):

> "Although the word 'Stronghold' is suggestive of one of the attributes of plaintiff's nail with the annular thread, it is not descriptive of a nail, let alone that type of nail. A person unaware of the particular product or the manufacturer, upon seeing or hearing the name 'Stronghold,' would find it virtually impossible to *identify* the product to which it might have been applied. The label 'Stronghold' on a carton, with no other words to designate the contents, would never reveal that such contents were nails of a particular type." (Emphasis supplied.)

The test is out of touch with the decisions of this Court and commercial reality. The only word which would satisfy it is the *noun* which is the *proper name* of the article.

It would permit relief to a manufacturer who placed the descriptive words "High Speed" on an otherwise plain box containing a motor capable of running fast, because it does not "identify" the product as a motor. Such a strangle-hold on the use of a purely descriptive term would be detrimental to the public interest in free competition.

This Court's test for descriptiveness has uniformly been

that a word is descriptive, not only when it is used as a *noun* to "identify" the goods, but also when it is used as an *adjective* or *adverb* to indicate a quality or characteristic of the goods. *Standard Paint Co.* v. *Trinidad Asphalt Mfg. Co.* (1911), 220 U. S. 446; *William R. Warner & Co.* v. *Eli Lilly & Co.* (1924), 265 U. S. 526. The conflict between the Court of Appeals' opinion and these decisions is a glaring one and must be rectified in the interest of uniformity.

In *Standard Paint Co.* v. *Trinidad Asphalt Mfg. Co.* (1911), 220 U. S. 446, appellant sought to enforce its registered trade-mark comprising the word "Ruberoid" against appellee's use of the word "Rubbero" on similar goods. The Court quotes (p. 454) with approval the language from *Canal Company* v. *Clark*, 13 Wall (80 U. S.) 311, 323, where the legal test for descriptiveness appears:

> "• • • Nor can a generic name, or a name merely *descriptive* of an article of trade, of its *qualities*, ingredients, or *characteristics*, be employed as a trademark and the exclusive use of it be entitled to legal protection." (Emphasis supplied.)

The Court held that "Ruberoid" is a misspelling of "rubberoid", which means "rubber-like". The word is descriptive when applied to a roofing material having the qualities or characteristics of flexibility and being waterproof (220 U. S. 455).

But compare the test of the Court of Appeals: the label "ruberoid" on a carton would never reveal that the contents thereof were roofing materials of a particular type.

In *William R. Warner & Co.* v. *Eli Lilly & Co.* (1924), 265 U. S. 526, involving the Coco-Quinine conflict in the pharmaceutical field, the test is stated as (265 U. S. 528):

> "A name which is merely descriptive of the ingredients, *qualities*, or *characteristics* of an article of trade cannot be appropriated as a trademark and the

exclusive use of it afforded legal protection." (Emphasis supplied.)

The shocking conflict with this Court's decisions is apparent. The word "Stronghold" when applied to a nail having an exceptional holding quality, describes that holding quality and cannot be appropriated as a trade-mark. The test applied by the Court of Appeals is completely unrealistic and disregards the controlling law.

Other jurisdictions have followed this standard of descriptiveness. The conflict with the Seventh Circuit is most sharply revealed in the "Self-Tapping" case (*Rosenberg et al.* v. *Shakeproof Lock Washer Co.* (C. A. 3, 1938), 100 F. 2d 811). There plaintiff's attempt to monopolize "Self-Tapping" as applied to a screw having the ability to "self tap" its thread in a piece of sheet metal was stopped by the District Court (20 F. Supp. 959 at 963):

> "Obviously, the two words together mean that the screw taps itself. In other words, that the screw itself threads its hole. That a purely descriptive word cannot be appropriated by anyone as a trade-mark is so well settled as to need no citation of authority."

The endorsement of this position by the Court of Appeals for the Third Circuit appears at 100 F. 2d 812:

> "To the above we may add that we also agree with the court's holding that the plaintiffs cannot monopolize the use of the words 'self tapping' in connection with screws."

But the conflicting test of the Seventh Circuit would require a different result, because "the label" "Self-Tapping" "on a carton, with no other words to designate the contents, would never reveal that such contents were" screws "of a particular type."

In *Computing Scale Co.* v. *Standard Computing Scale Co., Ltd.* (C. A. 6, 1902, 118 F. 965), plaintiff was attempting

to enforce a monopoly in the words "computing" and "standard" as used on scales which showed the weight and the money value of the goods being weighed. The words were held to be descriptive when so used.

In evaluating the word "Dumore" in *Wisconsin Electric Co.* v. *Dumore Co.* (C. A. 6, 1929), 35 F. 2d 555, the court held (p. 557):

> "The District Court inclined to the belief, and our judgment is, that this 'made up' word was descriptive of the characteristics of the electric tools and appliances manufactured and sold by plaintiff. It rather clearly signified to any prospective purchaser that these tools had superior capabilities."

But the word STRONGHOLD clearly signifies to prospective purchasers that these nails have superior holding power. Respondent so advertised them, and the witnesses so described them (Findings 9, 10, 17, R. 449-50).

The Seventh Circuit's deviation from the proper standard of descriptiveness throws confusion into this field. Some will attempt to enforce clearly descriptive terms in complex registrations, while others will refrain from the rightful use of such words, rather than risk expensive litigation and the uncertain possibility of an injunction. The unpredictability engendered by this situation warrants intervention by this Court and the granting of the writ here petitioned.

Additionally, the present opinion encourages those seeking to suppress competition in related fields through the use of descriptive words. Because of the difference in tests applied, the practice of "forum-shopping" can be expected in this field. Rather than attempting to enjoin the use of common descriptive terms in jurisdictions such as the Third or Sixth Circuits, such litigants will attempt service on prospective defendants in the Seventh Circuit.

With the concentration of economic activity in and around Chicago, many nation-wide corporations are "licensed to do business" or are "doing business" (28 U. S. C. § 1391c) within the jurisdiction of the Seventh Circuit. More decisions based on this test will emanate from that Court, producing more conflicts. Such an utterly unwelcome development can be avoided by granting this writ and re-establishing uniformity in this field.

Moreover, the time is ripe for this Court to resolve the conflict between the right of a trade-mark owner to exploit legitimately the public good will, and the right of the public to be free from forestalling attempts at monopoly in descriptive terms.

2. The Finding By the Court of Appeals of Infringement of Respondent's Complex Registered Trade-Mark by Petitioner's Use of the Descriptive Word Stronghold Requires This Court to Interpret the Infringement Section of the Lanham Act.

The Court of Appeals adopted (R. 465) as its test of infringement of Respondent's registered trade-mark, the language from its 1927 decision in *Northam Warren Corp. v. Universal Cosmetic Co.* (C. A. 7, 1927), 18 F. 2d 774. There the owners of the mark "Cutex" charged infringement by "Cuticlean", both being coined words. The infringement test appears at p. 775:

> "Whether there is an infringement of a trade-mark does not depend upon the use of identical words, nor on the question as to whether they are so similar that a person looking at one would be deceived into the belief that it was the other; but it is sufficient if one adopts a trade-name or a trade-mark so like another in form, spelling, or sound that one, with a not very definite or clear recollection as to the real trade-mark, is likely to become confused or misled."

Applying this test, the Court of Appeals found infringement of Respondent's complex registered trade-mark by Petitioner's logotype displaying the descriptive word Stronghold.

The infringement section of the Lanham Act (15 U. S. C. § 1114(1)), quoted in the Appendix, tests an infringement as any

> "* * * reproduction, counterfeit, copy or colorable imitation * * *"

of a registered mark. A quick glance at page two of this petition will demonstrate that Petitioner has not used any "reproduction, counterfeit, copy or colorable imitation" of Respondent's registered mark.

This Court should clarify the test of infringement of the Lanham Act. The test applied by the Court of Appeals results in the withdrawal from the public domain of a descriptive word forming a part of a complex registered trade-mark. This is manifestly contrary to the intent of the law of trade-marks, and can result in a restriction in the use of descriptive language in the channels of commerce. The opportunity for new business to develop without a restriction, unsound economically and contrary to the basic philosophy of our entire economic system, should be paramount.

This decision can muzzle litigants in the Seventh Circuit and throughout the country. It is vital that this be prevented, and that this Court decide the question.

3. This Extraordinary Situation Requires the Exercise of This Court's Basic Supervisory Jurisdiction to Cause the Court of Appeals to Conform to the Doctrine of Erie Railroad v. Tompkins in Applying the Illinois Law of Unfair Competition.

This Court has held, in *Erie Railroad* v. *Tompkins* (1938), 304 U. S. 64, that a Federal Court must apply the substantive common law of the State in a case in which the jurisdiction of the District Court is based on diversity.

The District Court recognized this principle and held that under these facts the law of Illinois requires proof of palming off to sustain a charge of unfair competition (R. 445-6), relying on *The Stevens-Davis Co.* v. *Mather and Co.*, 230 Ill. App. 45.

The Court of Appeals held (R. 468) that the rule of the *Stevens-Davis* case (and three others of similar holding—none of which have been overruled), was no longer the law of Illinois, basing its analysis of the Illinois law on cases decided in 1942 and 1943 and disregarding later opinions clarifying these cases.

Investors Syndicate of America, Inc. v. *Edward J. Hughes,* Secretary of State (1942), 378 Ill. 413, was an administrative mandamus proceeding by a party desiring to operate as "The Investors Syndicate of America, Inc." when another corporation had previously registered and conducted an extensive business under the name "The Investors Syndicate". The case was not an unfair competition case and is authority only for the factual statement that the words "of America, Inc." would not distinguish the newcomer in the same field.

In *Lady Esther, Ltd.* v. *Lady Esther Corset Shoppe* (1943), 317 Ill. App. 451, the well-known cosmetics manufacturer was granted injunctive relief against the owner of

a small corset shop, because of an extraordinary showing of a secondary meaning in the words "Lady Esther". The Court of Appeals disregarded this requirement of a secondary meaning. But that case is inapposite because, as the District Court found (Finding 12, R. 449), THERE IS NO SECONDARY MEANING IN THE WORD STRONGHOLD.

The Court of Appeals also failed to give effect to the later Illinois cases which refuse to apply the *Lady Esther* decision, except where there is secondary meaning. One of these later clarifying cases is *Good Housekeeping Shops, Inc.*, v. *Hyman Kaye and Harry Cohen Trading as Good Housekeeping Table Pad Company* (Ill. App. 1947), 330 Ill. App. 376. There the Court *could not find a secondary meaning* and therefore refused (330 Ill. App. 384) to apply the *Lady Esther* case:

> "In our opinion the factual situation presented by the *Lady Esther* case is not analogous to the factual situation in the case at bar."

In *General Industries Co.* v. 20 *Wacker Drive Bldg. Corporation* (C. A. 7, 1946), 156 F. 2d 474, an opinion by Mr. Justice Minton prior to the *Good Housekeeping* case, General Industries Co. sued to enjoin the prospective use of "General Industries Corporation". The opinion states the reasons for not applying the *Lady Esther* case, concluding (p. 477):

> "This case cannot be controlling in the present situation where the plaintiff has acquired *no secondary meaning to its name.* The *Lady Esther* case did not turn upon the use of similar names alone. It was a case of similar names *plus a secondary meaning attaching* to one of them." (Emphasis supplied.)

Judge Duffy's opinion (R. 468-9) contains language practically identical to the last two sentences above quoted, indicating that Mr. Justice Minton's opinion was considered and then disregarded.

The *General Industries* opinion recognizes the two divergent factual situations requiring relief under the Illinois law (p. 478):

> "To entitle a private party to equitable relief, there must be wrong added to incidental confusion in the use of similar names, such as fraud, deception, or palming off, *or the name which it has sought to protect must have acquired a secondary meaning.*" (Emphasis supplied.)

Wilhartz v. *Turco Products, Inc.* (C. A. 7, 1947), 164 F. 2d 731, also by Mr. Justice Minton, was a declaratory judgment action involving the words "Auto Shampoo" on a detergent for automobiles. The opinion also expounds this portion of the Illinois law of unfair competition (p. 733):

> "It can become unfair competition only when, first the name is misused in such a manner as to deceive or probably deceive the public into believing the plaintiff's goods are the defendant's * * * (citing cases); or secondly, *where the name has acquired a secondary meaning.*" (Emphasis supplied.)

In spite of these two clear opinions of the Illinois law, the Court of Appeals disregarded them in violation of *Erie Railroad* v. *Tompkins.*

The Court of Appeals cited two *District Court* cases in which the Illinois law of unfair competition is correctly applied. In *Elastic Stop Nut Corporation of America* v. *Greer* (D. C. Ill. 1945), 62 F. Supp. 363, the Court quotes extensively from *Lady Esther* and then *states* (p. 366) that a *secondary meaning* had arisen in the style, dress, *name* and appearance of plaintiff's product (STOP NUTS).

In *Metropolitan Opera Assn. Inc.* v. *Metropolitan Opera Assn. of Chicago, Inc.* (D. C. Ill. 1948), 81 F. Supp. 127, the famous New York City corporation sought to protect its rights to the word "Metropolitan" when used in connection with the word "Opera". The title has a secondary

meaning which is universally recognized in the music worlds of the United States and Europe, based on a use of over sixty years. The District Court *states* (p. 133) that the word *has acquired a secondary meaning.*

Clearly, the test of the *Lady Esther* case is applicable *only after proof of a secondary meaning.* The later Illinois opinions, the District Court opinions, and the earlier Court of Appeals opinions so interpret the *Lady Esther* case. In the absence of secondary meaning, the "palming off" or "deception" tests of the earlier cases must be applied, as was done by the District Court. The violation by the Court of Appeals of the principle of *Erie Railroad* v. *Tompkins* in applying some other unwarranted test calls for the exercise of this Court's supervisory jurisdiction.*

In the absence of correction of this error by the Court of Appeals, it will be possible to obtain diametrically opposed rulings on this point in the State of Illinois, depending on whether the case is decided by the state Courts or the Federal Courts. This result is the one sought to be avoided by vigorous application of *Erie* v. *Tompkins.* It would place the Illinois resident at a distinct disadvantage in his home market, as compared to the resident of another state who can bring suit for relief in the Federal Courts. Such a disparity must not be permitted.

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* As to how insistent this Court has been on the principle of *Erie* v. *Tompkins,* see *Huddleston* v. *Dwyer* (1944), 322 U. S. 232; *Vandenbark* v. *Owens-Illinois Glass Co.* (1941), 311 U. S. 538.

4. The Court of Appeals Substituted Its Judgment for That of the District Court in a Matter of the Evaluation of Evidence, Contrary to Rule 52(a), Basing Its Conclusion on Evidence Obtained in Violation of the Rules of Evidence, and Disregarding the Opportunity of the District Court to Adjudge the Credibility of Witnesses.

Rule 52 (a) was completely disregarded by the Court of Appeals in reaching its decision. Within the last two years there have been at least six petitions, filed from judgments of that Court in the limited field of patent, trade-mark and anti-trust law, charging violation of Rule 52 (a).* Such an indictment indicates that this Court should repudiate the preference of an independent trial of the facts by the Court of Appeals in all cases—not only those in which there is a clear question of whether the Findings are supported by substantial evidence.

But here, in addition to the usual situation under Rule 52 (a), there is a novel question of the law of evidence and its application. That question is:

> "May a Court of Appeals set aside Findings of Fact which are supported by substantial evidence in the Record made before the District Judge, purportedly preferring deposition testimony which is clearly improper?"

---

*

Case	Term	No.
A.B.T. Mfg. Co. v. *National Rejectors Inc.*	Oct. 1951,	208
American Steel Foundries v. *Holland Company,*	Oct. 1951,	254
Milwaukee Towne Corp. v. *Loew's Inc., et al.,*	Oct. 1951,	439
Union Carbide and Carbon Corp. v. *Graver Tank & Mfg. Co., Inc., et al.,*	Oct. 1951,	714
Cardox Corp., v. *Armstrong Coalbreak Co.,*	Oct. 1951,	776
Hansen Mfg. Co. v. *General Time Corp.*	Oct. 1952,	530

Respondent took depositions in July 1949, and in April 1951, in an attempt to prove part of its case. If the improper leading questions and those answers which were objectionable are weeded out of the deposition testimony, it becomes apparent that Respondent proved only that it had employed the word Stronghold alone to identify the particular annularly threaded nail, and that the only trademark it owned was the complex registered design.

The witnesses were repeatedly interrogated by the use of leading questions, questions calling for hearsay evidence, questions calling for the answer to ultimate legal conclusions reserved to the Court, and other equally objectionable examination. In spite of objections, the witnesses were encouraged to answer the questions. The District Court was able to evaluate this testimony and to reach a decision without being influenced by inadmissible or objectionable evidence.

The Court of Appeals relied on objectionable deposition testimony to set aside Findings based on substantial evidence in the testimony taken in the presence of the District Judge, affording the opportunity to judge the credibility of the witnesses. The action of the Court of Appeals usurps one of the principal functions of the District Court.

Within the restricted scope of this Petition, it is impossible to note all of the places in which the Court of Appeals so relied on improper evidence. However, one of the glaring examples is in the setting aside of Findings 18, 19 and 20 (R. 450):

> "18. Plaintiff has not provided (proved) any damages, nor has any business been diverted from Plaintiff to Defendant. Plaintiff's officers admitted that they did not know of a single instance wherein a customer mistakenly purchased Defendant's goods while attempting to purchase goods from Plaintiff. There is no confusion or likelihood of confusion in the trade because

of Defendant's use of the Stronghold logotype. There has never been any confusion in the minds of purchasers between these two companies and their products.

"19. Defendant has used reasonable means to prevent confusion in the trade and diversion of business by referring customers for 'Stronghold' nails to the Plaintiff. There is no likelihood of confusion in the trade because Defendant is using reasonable means to prevent it by displaying the word Stronghold in its distinctive logotype.

"20. The five misaddressed letters introduced by Defendant are insufficient to show a likelihood of confusion in a business which exceeds five million dollars per year. This number of misaddressed letters is within the expected percentage of such incidents."

There never has been any confusion. Respondent's chief officers testified before the District Judge that they did not know of any confusion. As detailed earlier in this Petition, George Stone, Respondent's president testified (R. 260):

"Q. Mr. Stone, can you give us a single instance in which any of your customers mistakenly bought any products from Stronghold Screw Products instead of your company?

"A. No."

H. James Stone, Respondent's general manager stated (R. 286):

"A. I don't know that anyone has been buying from Stronghold Screw Products that meant to buy goods from us. I don't know whether any such case has occurred or not."

These responsible officers testified after all of the depositions were taken. In spite of this testimony, the Court of Appeals set aside those Findings, stating (R. 467):

"* * * However, the testimony in the case at bar abundantly proved that actual confusion existed. Wit-

ness after witness, such as the purchasing agent of Rubberoid (sic) Company and a Screw Machine Products salesman and others, as well as correspondence that was misdirected, demonstrated confusion did exist. * * * We conclude that the court's finding that there was no confusion in the trade was clearly erroneous."

What is the evidence on which the Findings were set aside?

Respondent introduced *all* of the "misdirected correspondence" which it was able to find—a total of FIVE letters (Pl. Ex. 152-156)—to show the existence of confusion. The trial Judge characterized this miniscule presentation in Finding 20, above. This is not the volume of evidence which convinced the Court of Appeals that the District Judge clearly erred in making his Finding.

Then what about the "Witness after witness, such as the purchasing agent of Rubberoid (sic) Company and a Screw Machine Products Salesman" who "demonstrated confusion did exist."

K. R. MacDonald, a purchasing agent of The Ruberoid Company (R. 97-105, 114-115) testified in deposition that he was not confused (R. 105):

"RXQ. You never ordered any nails from them, by mistake?

"A. No."

Later, after the next witness also had failed to prove the existence of confusion, MacDonald was recalled (R. 114-5):

"Q. Mr. MacDonald, what was the purpose of sending this circular that you received from Chicago, from the Stronghold Screw Products, or some similar concern, to the Independent Nail and Packing Company?

"A. Well, I was confused because I thought possibly Independent had established a company in Chicago, or a branch in Chicago, and I wanted to clear that up.

"Q. So you thought that the Stronghold Company had some connection with the Bridgewater Company?

"A. Yes. *The only confusion in my mind would come from the fact that this annular threaded nail has a thread on it that is somewhat similar to a screw.* The difference, of course, would be that you drive a threaded nail with a hammer, and you use a screwdriver to put in a screw." (Emphasis supplied.)

This leading examination can hardly qualify as the overwhelming evidence requiring the setting aside of the Findings, especially since it is abundantly clear that *MacDonald was never truly confused* as to the source or origin of goods.

S. T. Henvick, who purchased nails for The Ruberoid Company from 1938, testified (R. 105-114), and stated (R. 110) that he had never ordered nails from Petitioner. While attempting to recall Petitioner's name, he called it "*Chicago* Screw Products" (R. 111). There is no confusion here with regard to STRONGHOLD.

At R. 112, *in response to a clearly objectionable question,* Henvick did agree that the use of the word STRONGHOLD by another metallic fastener company would be confusing. *But,* in response to a proper question on cross-examination, there clearly was no confusion in his mind (R. 113):

"RXQ. There was never any confusion in your mind about Independent and this other company, Stronghold Screw Products, or Stronghold Eastern Corporation?

"A. No.

"RXQ. You never sent orders intended for one company to the other?

"A. No."

The evidence could not be more clear that *neither* of the Ruberoid purchasing agents had been or were likely to be confused. Then who is the "purchasing agent of Ruberoid Company" who was confused? **There was none!**

We can only guess as to which of the witnesses represents the "Screw Machine Products" salesman. The deposition witness Ward testified that he was confused—*in response to a clearly objectionable question* (R. 23). He also testified (R. 28) that *he had never bought any of Petitioner's products by mistake* while trying to buy from Respondent. Here again, any confusion or evidence thereof must be lightly regarded.

Goss, in his deposition, did not testify that he was confused, and his letter (Pl. Ex. 7) is under suspicion as spurious or inspired. No judge with any degree of sophistication in weighing evidence would give any credence to the deposition of Chaskes (R. 83-93) after he asserted (R. 86), *contrary to Respondent's officials* (R. 222, 246), that Respondent was in the shelf hardware business.

The Record has been diligently and unsuccessfully searched for *any* support for the statement of the Court of Appeals. The conclusion reached on this and other points by the Court of Appeals is clearly contrary to the overwhelming weight of the evidence. Once the rules of evidence are applied to the deposition testimony, there is no support in the Record for this and other statements in the Court of Appeals' opinion.

The action of the Court of Appeals in using this type of evidence as the basis for setting aside Findings of Fact supported by substantial and properly adduced testimony not only reaches an unsupported result but flouts the basic rules of Evidence. A litigant should not be permitted to obtain relief on this kind of evidence at the expense of the rights of the public. This type of evidentiary evaluation should not be permitted in the lower courts because it can have a serious effect on litigation in general. Only the action of this Court, in granting this petition, can prevent this.

CONCLUSION.

For the foregoing reasons this petition for a writ of certiorari should be granted.

Respectfully submitted,

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209 So. La Salle Street,
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ROBERT C. WILLIAMS,
209 So. La Salle Street,
Chicago 4, Illinois,
Of Counsel.

September 16, 1953.

APPENDIX.

STATUTE INVOLVED.

15 U. S. C., Sec. 1114(1):

> (1) Any person who shall, in commerce, (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services; * * * shall be liable to a civil action by the registrant for any or all of the remedies hereinafter provided in this chapter, * * *.

BASIC

DATE 2/21/44 MACHINE 45

CUSTOMER'S NO. 20179 OPERATOR 15

OUR NO. 44803 COMPLETED 3-17-44

WHEN WANTED ✓ BY

QUANTITY ✓	100	LBS.	WEIGHTS
LENGTH	1		155
GAUGE	12		
HEAD	oval		
POINT	diamond		
GRIPE			
STYLE			
TEMPER			
THREAD	STRONGHOLD		
FINISH	plain		
		TOTAL ☞	155

PLAINTIFFS EX. 1437 Iden. Rec'd
U. S. DISTRICT COURT, Northern District of Illinois
Judge Perry
Official Court Reporter

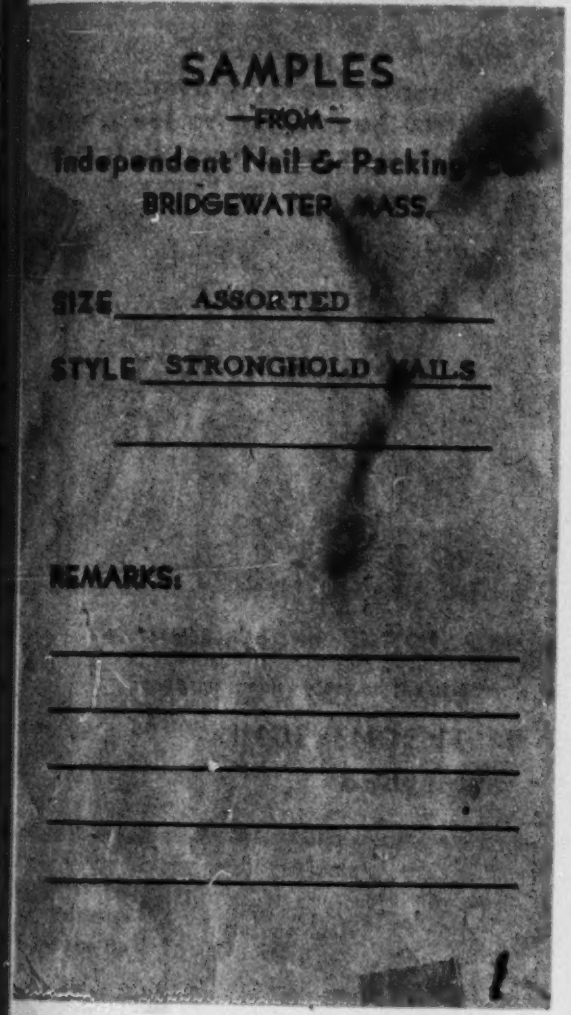
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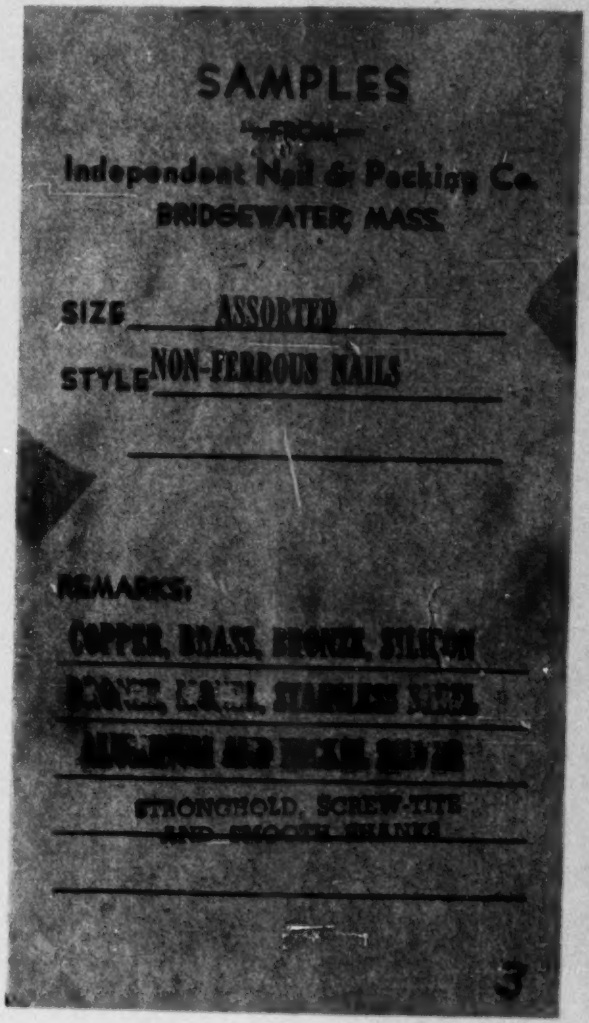
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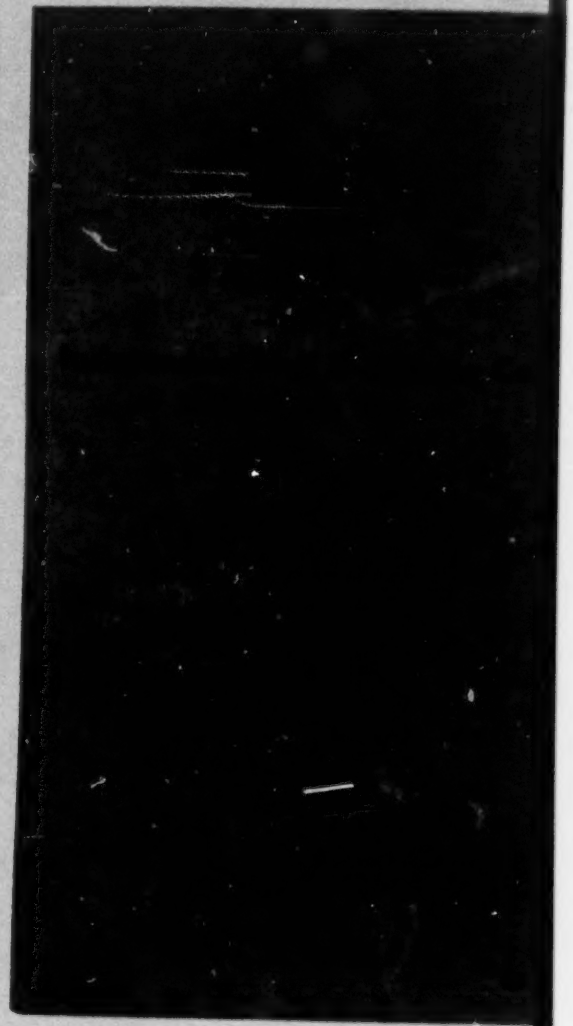
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MUST BE RETURNED TO OFFICE

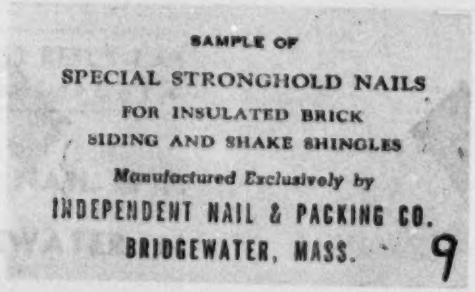
356 Independent Nail & Packing Co.

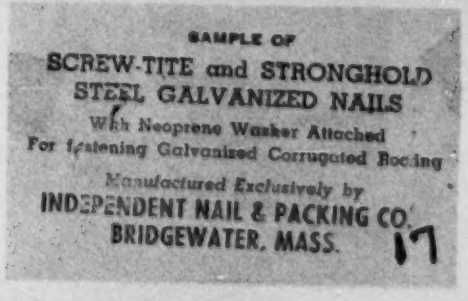
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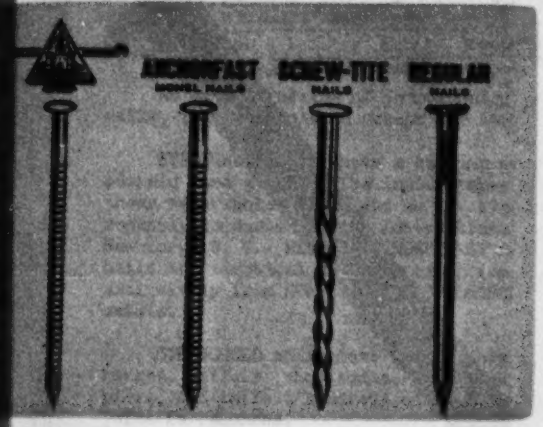




Stop Unnecessary Replacement and Repairs

IMMEDIATE SHIPMENT

Do you have processes where chemicals, acids, fumes or exposure ruin your steel or galvanized fasteners? This trouble can be eliminated immediately and permanently by using NON-FERROUS FASTENINGS.



- *The First Cost is the Last.*
- *Eliminate High Maintenance Costs.*
- *We make them in all styles and sizes, for hand or machine driving.*
- *Copper - Brass - Bronze - Silicon Bronze - Everdur - Stainless Steel - Monel - Aluminum - Nickel Silver.*

- IMMEDIATE SHIPMENT ON BRONZE STRONGHOLD ASBESTOS SIDING NAILS.

Send your inquiry today on the attached card. No postage required, and no obligation.

INDEPENDENT NAIL & PACKING CO.
Bridgewater, Massachusetts

15

Postage Will be Paid by Addressee

No Postage Stamp Necessary if Mailed in the United States

BUSINESS REPLY CARD
First Class Permit No. 2, Sec. 34.9 P. L. & R., Bridgewater, Mass.

INDEPENDENT NAIL & PACKING CO.

BRIDGEWATER, MASS.

Mail This Card Today

We Pay The Postage

INDEPENDENT NAIL & PACKING COMPANY

Manufacturers of

STRONGHOLD . . . "The One-Way Nail"

BRIDGEWATER, MASS.

CABLE ADDRESS: INAPACO

RECEIVED
STRONGHOLD SCREW PRODUCTS INC.
GEN. MAIL DEPT.
OCT 16 1950

DEFENDANTS EX. 39A ( ) Iden. (✓) Rec'd.
U. S. DISTRICT COURT, Northern District of Illinois
Judge Perry
Edward Newlander - Official Court Reporter

We [illegible] receipt of your inquiry regarding SCREW-TITE and STRONGHOLD nails, for [illegible] please accept our thanks.

STRONGHO[illegible] have a holding power which in actual tests have outheld wood s[illegible] The inside pages of this circular describes fully these remarkable [illegible] and we are also enclosing a reprint of tests recently conducted [illegible] International Nickel Company, 67 Wall Street, New York, N. Y., [illegible] ANCHORFAST nails. ANCHORFAST and STRONGHOLD nails are identical [illegible] exception that ANCHORFAST nails are made exclusively from MONEL [illegible] STRONGHOLD nails are made from a variety of metals.

STRONGHOLD nails have [illegible]ely used in the construction of boats, barges, pallets, shop boxes, [illegible]os, building construction, docks, piers, and in fact hundreds of [illegible]tions wherever a tight, permanent joint is required.

SCREW-TITE nails are a compani[illegible]o STRONGHOLD nails. We believe the correct nails for you to use can [illegible] determined by actual tests on your own application. We are herew[illegible]osing literature describing SCREW-TITE nails.

We can supply either SCREW-TITE or ST[illegible]nails in any size or style up to and including 6" in length and .2[illegible]ameter. Also, in a wide variety of metals and plated finishes, in[illegible]ot galvanizing, these nails can be had. We can also supply them[illegible]ial hardened steel for driving into extremely hardwoods or through s[illegible]l.

We would like very much to have you try these n[illegible] if you will be good enough to tell us what size or sizes you are i[illegible]d in, we shall be very glad to send you a free working sample.

Hoping to have the opportunity of working with you, and [illegible]g your reply, we remain

Very truly yours,

INDEPENDENT NAIL & PACKING [illegible]

By: _____

G. C. Stone - Sales Mg[illegible]

GCS:NH

THEY HOLD FOREVER
STRONGHOLD NAILS

Items Nos. 12, 1

IMMEDIATE SHIPMENT

Why The **Stronghold** *Holds!*



ACTUAL PHOTOGRAPH

REMEMBER—There is only one STRONGHOLD (THE ORIGINAL) Ask for them by name.

Hundreds of bottlers have found that a Stronghold fastened bottle case will outwear 2 or 3 cases assembled with ordinary nails.

The picture shows why.

When you buy a bottle case nailed with Strongholds, you save the cost of at least one additional case, and the extra cost is 1c (or less) per case.

● *Can you afford to pass up this saving?*

We'd like to send you some samples so you can make your own tests. Your Name and address on the attached card will bring complete information. No obligation.

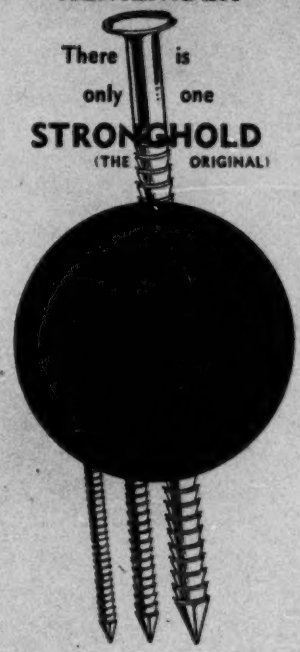
STRONGHOLD NAILS are made only by

INDEPENDENT NAIL & PACKING CO.

Bridgewater, Massachusetts

REMEMBER

There is only one **STRONGHOLD** (THE ORIGINAL)



Ask for them by name

Woode other Packin ing In longer NAIL

Availa wide machi

Specif your

Tear sampl **Strong** saving

IND

Postage Will be Paid by Addressee

No Postage Stamp Necessary If Mailed in the United States

BUSINESS REPLY CARD

First Class Permit No. 2, Sec. 510 P. L. & R., Bridgewater, Mass.

INDEPENDENT NAIL & PACKING CO.

BRIDGEWATER, MASS.

● *Mail This Card Today*

We Pay The Postage

Postage Will be Paid by Addressee

BUSINESS REPLY

First Class Permit No. 2, Sec. 510 P. L

INDEPENDENT NAIL

BRIDGEWATER

ys - Containers - Tote Boxes and
n Articles used in the Canning -
hydrating or other Food Process-
, will last from two to three times
fastened with STRONGHOLD

ll metals and finishes and in a
of sizes. Can be used in nailing

ONGHOLD nails when ordering
odenware.

enclosed card and mail for free
literature. Let us show you how
Nails can save you money by
wooden containers.

ENT NAIL & PACKING CO.
gewater, Massachusetts

No Postage Stamp Necessary If Mailed in the United States

Mail This Card Today

We Pay The Postage

ater, Mass.

KING CO.

S.

Why The Stronghold Holds



*ACTUAL PHOTOGRAPH: Note how wood fibres interlock with barbs of the nail, holding it firmly in position.

IMMEDIATE SHIPMENT

BEFORE laying linoleum, asphalt tile, rubber tile, carpeting, or any other floor covering, the under floor should first be made tight with STRONGHOLD NAILS.*

- Eliminates squeaky and springy floors.
- Will not work up and mar the floor covering—once driven in, STRONGHOLDS stay put.
- Used by many prominent floor covering applicators with great success.
- Available in all sizes, in hardened or regular steel.

Don't gamble with ordinary nails — Use STRONGHOLDS!
Remember There Is Only One "STRONGHOLD"–Ask For Them By Name.
(THE ORIGINAL)

We'd like to send you some samples so you can make your own tests. Your Name and address on the attached card will bring complete information. No obligation.

STRONGHOLD NAILS are made only by
INDEPENDENT NAIL & PACKING CO.
Bridgewater, Massachusetts

Postage Will be Paid by Addressee

No Postage Stamp Necessary if Mailed in the United States

BUSINESS REPLY CARD
First Class Permit No. 2, Sec. 510 P. L. & R., Bridgewater, Mass.

INDEPENDENT NAIL & PACKING CO.

BRIDGEWATER, MASS.

Mail This Card Today

We Pay The Postage

All Phones: [redacted]

REQUEST FOR QUOTATION

MANUFACTURERS SCREW PRODUCTS

PURCHASING DEPARTMENT

216-222 W. HUBBARD ST. — CHICAGO, ILL.

A [redacted] 1710

To receive consideration your quotation must be in our hands by IMMEDIATELY

TO INDEPENDENT NAIL & PACKING CO
BRIDGEWATER MASS

REPLY ☒Air mail ☐Phone ☐Wire

JANUARY 14, 1942 EL

IMPERATIVE Please state your very best delivery date	Indicate whether you regularly ship by R. R. FREIGHT, TRUCK, PARCEL POST, EXPRESS. Name your preferred common carrier. F. O. B. point and FREIGHT ALLOWANCE.	TERMS: 2% 10th Prox.

Please quote us promptly your best prices on the following material:

63,500 PCS. - #14 X 1" BRASS ESCUTCHEON PINS. $36.50 per cwt.

ADVISE BEST DELIVERY. QUOTE DELIVERY ON THE BASIS OF AN A-10 PRIORITY, AND ALSO WITHOUT A PRIORITY.

MUST HAVE PRIORITY OF A-10 OR BETTER

THIS IS NOT AN ORDER

Enclosed find Samples ( ) Specifications ( ) Prints ( ). Please return with your quotations.

If unable to quote, please return this inquiry sheet with the notation "cannot quote".

YOUR IMMEDIATE ATTENTION WILL BE APPRECIATED.

Thank you for your courtesy,

MANUFACTURERS SCREW PRODUCTS

Very truly yours,

by ..... Purchasing Agent

E;SI RMLeClaire:el

Independent Nail & Packing Co.

6

Office - Supreme Court, U.
FILED
OCT 19 1953
HAROLD B. WILLEY, Clerk

IN THE

Supreme Court of the United States

OCTOBER TERM, 1953.

No. 363

STRONGHOLD SCREW PRODUCTS, INC.,
Petitioner,

vs.

THE INDEPENDENT NAIL AND PACKING CO., INC.,
Respondent.

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

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HERBERT A. BAKER,
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Attorneys for Respondent.

The Scheffer Press, Inc.—ANdover 3-6850

INDEX.

PAGE

I. STATEMENT OF THE CASE 1

II. PETITIONER FAILS TO PRESENT ADEQUATE REASONS FOR THE ISSUANCE OF THE WRIT 4

1. Respondent's Trade-Mark STRONGHOLD Is Not Descriptive and There Is No Conflict On This Matter Between The Decision Herein and Those of This Court or Other Courts of Appeal 6

2. The Test for Trade-Mark Infringement Under the Lanham Act Is the Same As That Which Has Been Applied Under Prior Trade-Mark Acts 14

3. The Court of Appeals Conformed to The Doctrine of Erie Railroad vs. Tompkins and Applied Correctly the Illinois Law of Unfair Competition 16

4. The Court of Appeals Properly Reversed the Judgment of the District Court Which Was Based Upon Findings Clearly Erroneous 18

III. CONCLUSION 21

APPENDIX A 1a

Illustrative Examples of Respondent's Labels and Advertising Circulars

APPENDIX B 19a

Summary of Testimony Establishing The Confusion Which Has Been Caused By Petitioner's Unauthorized Use Of Respondent's STRONGHOLD Trade-Mark

PAGE

TABLE OF CASES.

Benrose Fabrics Corp. v. Rosenstein, 183 F. 2d. 355.... 18

Best & Co. v. Miller, 167 F. 2d 374, 377 (C.C.A. 2—1948) 19

Computing Scale Co. v. Standard Computing Scale Co., 118 F. 965 10

Consumers Petroleum Co. v. Consumers Co. of Illinois, 169 F. 2d 153, 162 (C.C.A. 7—1948) 18

Erie Railroad v. Tompkins, 304 U. S. 64 .....17, 18

General Industries Case, 156 F. 2d 474 .....17, 18

Globe-Wernicke Co. v. Brown et al., 121 F. 185 (C.C. W.D. Pa. 1903) 11

Good Housekeeping Shops, Inc. v. Hyman Kaye & Harry Cohen, Trading as Good Housekeeping Table Pad Co., 330 Ill. App. 376 17

Hamilton-Brown Shoe Co. v. Wolf Bros. & Co., 240 U. S. 251 12

Holeproof Hosiery Co. v. Wallach Bros., 172 F. 859 (C.C.A. 2—1909) 11

Layne & Bowler Corp. v. Western Well Works, Inc., et al., 261 U. S. 387 5

Mangum Import Co., Inc. v. Coty, 262 U. S. 159 5

McCormick & Co., Inc. v. The B. Manischewitz Co., 98 USPQ 367 (C.C.A. 6—1953) 19

Northam Warren Corp. v. Universal Cosmetic Co., 18 F. 2d. 774 15

Queen Mfg. Co. v. Isaac Ginsberg & Bros., Inc., 25 F. 2d 284 14

Reardon, W. G. Laboratories, Inc. v. B. & B. Exterminators, Inc., 71 F. 2d 515 (C.C.A. 4—1934) 11

Rosenberg et al. v. Shakeproof Lock Washer Co., 100 F. 2d 811 9

PAGE

Saxlehner v. Eisner & Mendelson Co., 179 U. S. 19, 33 14

Standard Paint Co. v. Rubberoid Roofing Co., et al., 224 F. 695 7

Standard Paint Co. v. Trinidad Asphalt Mfg. Co., 220 U. S. 446 7

Warner, William R. & Co. v. Eli Lilly & Co., 265 U. S. 526 ..... 7, 9

Wilhartz Case, 164 F. 2d 731 ..... 17, 18

Wisconsin Electric Co. v. Dumore Co., 35 F. 2d 555.... 11

PUBLICATION.

Unfair Competition and Trademarks by Nims, 4th Ed., Vol. 1, pp. 538, 678 ..... 11, 15

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To the Honorable, the Chief Justice and the Associate Justices of the United States:

I. STATEMENT OF THE CASE.

The record in this case clearly establishes that Respondent, a large volume producer of fastener products such as nails and screws began using its STRONGHOLD trademark in 1934. The name STRONGHOLD was first applied to a new type annularly threaded nail which was the very best kind of a nail on the market for the job to be done. This product was advertised extensively under the STRONGHOLD trade-mark and was very well received by the public. The sales volume of STRONGHOLD nails rapidly increased so that by 1940 products sold under the STRONGHOLD trade-mark accounted for 50 per cent of the total volume of Respondent's business. (R. 210-212)

Because its new product and the name STRONGHOLD had been advertised so extensively and because the public identified Respondent with the name STRONGHOLD, the line of products to which the name was applied was expanded. In 1947, the volume of fastener products sold by Respondent under the name STRONGHOLD exceeded one million dollars. In 1951, the volume of Respondent's STRONGHOLD branded products exceeded two million dollars (R. 210-212)

After the trade-mark had been in use for some time, Respondent devised a particular form of representation of this mark and on May 16, 1939, Trade-Mark Registration No. 367,449 (R. 7) was granted to it. (R. 206) This registration includes the trade-mark STRONGHOLD together with a pictorial representation of nails and a castle. During the prosecution of the application for registration of its pictorial trade-mark, the Patent Office required Respondent to disclaim certain descriptive material such as the representation of a nail, the word "Nails" and the expression "They hold forever." No requirement was made by the Patent Office to disclaim the word STRONGHOLD as being descriptive. (R. 7, 464)

After the grant of the trade-mark registration, Respondent used the trade-mark in the form shown in the registration and also continued to use the name STRONGHOLD alone in its products. (R. 464)

In 1940 Manufacturers' Screw & Supply House, Petitioner's predecessor, with full knowledge of Respondent's trade-mark and its registration, (R. 416) began using a logotype in which Respondent's STRONGHOLD trade-mark was featured. The District Court found that Petitioner used STRONGHOLD on printed materials, including packing boxes, sample envelopes, labels, stationery, catalogs, purchase orders and requests for quotations. (R. 448)

Initially, Petitioner used Respondent's STRONGHOLD trade-mark along with the company name, MANUFACTURERS' SCREW & SUPPLY HOUSE. In 1946, when Respondent's sales of STRONGHOLD branded fastener products exceeded half a million dollars, Petitioner changed its corporate name to Stronghold Screw Products, Inc. This change of corporate name was undertaken by Petitioner with full knowledge of Respondent's continued and extensive use of its STRONGHOLD trade-mark and with full knowledge of Respondent's trade-mark registration. (R. 464)

From 1946 on, Petitioner approached prospective customers with the name STRONGHOLD featured in its logotypes and under its corporate name, STRONGHOLD SCREW PRODUCTS, INC. Petitioner deliberately became listed as a nail manufacturer under its STRONGHOLD corporate name in certain directories widely used by purchasing agents,—a listing which Petitioner at the trial conceded was a misrepresentation. (R. 396) Respondent, initially a nail manufacturer, had acquired great popularity in the nail industry under its STRONGHOLD trade-mark.

Although Petitioner was aware that Respondent was the first to use the STRONGHOLD trade-mark, and was aware of Respondent's extensive use of this trade-mark, and its Federal trade-mark registration, when Petitioner was threatened with suit for trade-mark infringement, it procured in its own name, state trade-mark registrations in 46 states covering its STRONGHOLD logotype. (R. 406)

Petitioner and Respondent both sell their products throughout the United States. (R. 215, 262, 334) Both contact the same prospective customers through direct mail advertising and through listings in trade publications and directories usually used by purchasing agents. (R.

212, 214) Both Petitioner and Respondent sell a wide variety of fastener products and Petitioner circularizes its catalog under the name Stronghold Screw Products to Respondent's customers. (R. 223, 226-30) Petitioner and Respondent are in direct competition with each other and both approach prospective customers under the name STRONGHOLD.

The evidence in the record abundantly established that Respondent was the first to use the STRONGHOLD trade-mark, that the trade-mark was extensively advertised and widely used, that purchasers associated the name STRONGHOLD with Respondent and that confusion has resulted because Petitioner contacts Respondent's customers under the name STRONGHOLD. (R. 467)

The case was tried in the District Court in December, 1951, before the Honorable J. Sam Perry who had been appointed and had taken office three months earlier. Judge Perry, in his memorandum opinion (R. 437, 107 F. Supp. 969), expressed a very narrow and unduly technical approach to the resolution of trade-mark infringement problems and held for Petitioner. The Court of Appeals properly reversed Judge Perry (205 F. 2d 921). In so doing, the Court did not disturb many of the basic fact findings of Judge Perry but reversed him principally on his conclusions of law such as infringement of Respondent's trade-mark registration, descriptiveness, likelihood of confusion, and the interpretation of Illinois law.

II. PETITIONER FAILS TO PRESENT ADEQUATE REASONS FOR THE ISSUANCE OF THE WRIT.

It is plainly apparent that Petitioner is here seeking another factual determination of the merits of its defense. The record is long, the exhibits voluminous and Petitioner's contentions were given adequate consideration

by the Court of Appeals. That Court considered the appropriation by Petitioner of Respondent's STRONGHOLD trade-mark for like products sold to identical customers, and found Petitioner's conduct did not come within the "principles of old fashioned honesty", the test to be applied in cases of this kind. (R. 465)

In *Layne & Bowler Corporation* v. *Western Well Works, Inc., et al.*, 261 U. S. 387, this Court held that a writ of certiorari would not be granted unless the issue involved was of great public importance or unless an embarrassing conflict existed between the Courts of Appeal. Again in *Mangum Import Co., Inc.* v. *Coty*, 262 U. S. 159, this Court stated at Page 163:

> "* * * The jurisdiction was not conferred upon this Court merely to give the defeated party in the Circuit Court of Appeals another hearing. * * *"

Fundamentally, this case is limited to a dispute between two competing corporations involving trade-mark infringement and unfair competition. The determination of the dispute will affect only these two corporations. There is in this case, no element of public importance requiring an expression of opinion by this Court. There is no conflict of decision on this same matter between the Court of Appeals for the Seventh Circuit and other Courts of Appeal. Likewise, there has been no departure by the Court of Appeals from the opinions of this Court. There is no important question of local or federal law requiring the attention of this Court.

Notwithstanding the complete absence of the adequate and usual reasons for the grant of a writ of certiorari in this case, Petitioner's points will be discussed in the order presented.

1. Respondent's Trade-Mark STRONGHOLD Is Not Descriptive and There Is No Conflict On This Matter Between the Decision Herein and Those of This Court or Other Courts of Appeal.

The Court of Appeals recognized that one may not exclusively appropriate a common descriptive word. (R. 466) If a word has been generally used to describe a particular product, the grant to one person of an exclusive right to use that word as a trade-mark would preclude all other competitors from adequately or appropriately describing their products. The recognition of such a word as a valid trade-mark would withdraw from the public a right which the public theretofore had,—the right to describe products by the particular word.

In this case, we do not have such a situation. Petitioner does not and cannot urge that it is required to use the word STRONGHOLD in describing its products. The record conclusively establishes that Petitioner has never used STRONGHOLD in a descriptive manner. On the contrary the District Court found that Petitioner was using the STRONGHOLD logotype as a technical trade-mark. (Finding 15, R. 449) The record is conclusive that Respondent has never used the word STRONGHOLD in a descriptive manner. The many exhibits introduced on behalf of Respondent show that the word STRONGHOLD has always been featured as a trade-mark. As APPENDIX A at the back of this brief we have reproduced some of Respondent's labels and advertising material. It is clear from these exhibits that, the word STRONGHOLD, which appears in very large type is used only as a trade-mark.

The Court of Appeals properly found that STRONGHOLD was not descriptive of Respondent's products and pointed out that Petitioner is in a weak position to assert that STRONGHOLD is a descriptive word invalidating Respond-

ent's trade-mark because when Petitioner was threatened with trade-mark infringement it proceeded to register its STRONGHOLD logotype in 46 states of this country. Under these circumstances, Petitioner's assertion that STRONGHOLD is descriptive is without merit. In order for such a contention, to be urged in good faith, Petitioner would have to show that it had used STRONGHOLD in a descriptive way or that others in the industry had commonly described their fastener products with the word STRONGHOLD. This, of course, Petitioner has not established and it is inherent that such facts could not be established. Petitioner has used STRONGHOLD only as a feature word and as a trade-mark. It is inherent that such use would lead to confusion between Petitioner and Respondent. The word STRONGHOLD is for all practical purposes incapable of being used in a descriptive way.

Petitioner asserts there is a conflict between the decision of the Court of Appeals in the instant case and the opinions of this Court in *Standard Paint Co.* v. *Trinidad Asphalt Mfg. Co.*, 220 U. S. 446, and *William R. Warner & Co.* v. *Eli Lilly & Co.*, 265 U. S. 526.

In the *Standard Paint* case, both plaintiff and defendant were using "Ruberoid" and "Rubbero" in a descriptive way on similar goods. This Court held in that case that since defendant was using "Rubbero" to describe its roofing material, it could not be enjoined. Some years later, another company sought to take advantage of the opinion of this Court in the *Standard Paint* case by organizing a company called *Rubberoid Roofing Co.* and by using "Rubberoid" as a trade-mark. The *Rubberoid Roofing Co.* was sued for unfair competition and the Court of Appeals for the Seventh Circuit in *Standard Paint Co.* v. *Rubberoid Roofing Co., et al.* (224 F. 695) stated:

> "* * * If appellee used the word 'rubberoid' merely as descriptive of its roofing, there could be no cause

for complaint. But it goes further; it designates its product, not adjectively and descriptively as a rubberoid roofing, but substantively and by a trade-name as 'Rubberoid.' The noun rubberoid, not the adjective, is expressly claimed to be the brand of its roofing. In one of the letters in evidence it speaks of 'our Rubberoid brand roofing.' The evidence clearly demonstrates that the use of the word as a trade-name or brand was not adopted innocently and in ignorance of appellant's rights, or continued in a way clearly to differentiate the two products, but that it was done willfully and fraudulently, with full knowledge of the secondary signification that the word had acquired, with the intent and in a manner—

> " 'calculated to mislead the public with respect to the origin * * * of the goods and thus to invade the right (of appellant) to the use of the name or term as a designation of (its) merchandise. *Davids Co.* v. *Davids,* 233 U. S. 461, 34 Sup. Ct. 648, 58 L. Ed. 1046.'

"The decision in the *Trinidad* Case, *supra,* furnishes no justification for such acts. The court there found as a fact that, although the word 'rubbero' was used as the name of an article, there was no unfair competition; that the defendant therein did 'not use the word 'rubbero' in such a way as to amount to a fraud on the public.' Appellee in the instant case, however, not merely adopted the well-established trade-name of appellant's product to designate its roofing, but it did so with the intent to induce the belief that it was handling appellant's goods. * * *"

"* * * It has so printed the word 'Rubberoid' in its corporate name, on circulars, letters and labels as to make this word appear as its trade-name."

The facts of the above case are similar to the facts in the present case. Here the Petitioner does not assert that it has used STRONGHOLD as a descriptive word and that it will be precluded from using STRONGHOLD to describe

its products, but Petitioner insists that it has the right to continue to use the name STRONGHOLD as its technical trade-mark and as part of its corporate name and under circumstances that lead only to confusion between Petitioner and Respondent.

Petitioner also asserts a conflict between the opinion of the Court of Appeals in the instant case and that of this Court in *William R. Warner & Co.* v. *Eli Lilly & Co.*, 265 U. S. 526. In the *Warner* case, this Court held that the name "Coco-Quinine" was descriptive of the ingredients of the preparation being sold and that the defendant in using this name was not infringing any valid trade-mark. This Court stated:

> "* * * The use of a similar name by another to truthfully describe his own product does not constitute a legal or moral wrong, * * *" (265 U. S. 528)

There is no similarity between the *Warner* case and the instant case because in this case it has not been established that Petitioner or anyone else has ever used STRONGHOLD to describe fastener products.

Petitioner also alleges a conflict between the opinion of the Court of Appeals in the instant case and that of the Court of Appeals for the Third Circuit in *Rosenberg et al.* v. *Shakeproof Lock Washer Co.* (100 F. 2d 811) In the *Rosenberg* Case, the Court of Appeals adopted the reasoning of the District Court contained in an opinion reported at 20 F. Supp. 959. In this opinion, the District Court pointed out that the words "self-tapping" upon which plaintiff sought to predicate its trade-mark rights had for many years been used in the industry to describe various types of screws. The Court held that plaintiff's predecessors had used this trade-mark in a purely descriptive manner and not as a trade-mark. The Court

also pointed out that the defendant had always used the word "self-tapping" in a descriptive sense.

There is no conflict between the decision of the *Rosenberg* Case and the decision in the instant case. Neither of the parties to this case nor anyone else in the industry has used STRONGHOLD to describe fastener products.

Petitioner asserts a conflict between the opinion here and that of the Court of Appeals for the Sixth Circuit in *Computing Scale Co.* v. *Standard Computing Scale Co.* (118 F. 965) In the latter case the plaintiff was attempting to enforce a monopoly on the words "computing" and "standard". In its decision, the Sixth Circuit Court of Appeals pointed out that the word "computing" aptly described weighing scales and that at the time plaintiff adopted this mark it had been applied to scales of the same class and that a number of patents had been granted for scales described as "computing scales". The Court stated:

> "• • • But the facts we have referred to, showing the prior use of the word as descriptive of the scale, and its subsequent wide adoption, are very forceful in showing that the word has from the origin of such scales been by common consent and general usage regarded as a descriptive term aptly describing the function of the scale in aiding the operation of computing or calculating the aggregate price to be paid for the article weighed thereon when properly adjusted by an intelligent operator. In view of the significance of the word 'computing' when applied to a scale of the class here involved, it is very plain that it cannot lawfully be appropriated as a valid trademark, and that others may employ it with equal right and truth as descriptive of their own scales, when constructed for a like purpose. The effort to turn the descriptive word 'standard' into an exclusive trade-mark either separately or in connection with the verb 'computing,' is still less defensible, and we need say no more than we have said." (118 F. 965)

There is no conflict between the decision of the Sixth Circuit Court of Appeals in the *Computing* case and the Court of Appeals in the instant case. The facts are basically different in that in the *Computing* case it was established that "computing" had been used descriptively by the industry generally. In the instant record, there is no evidence that anyone has ever used STRONGHOLD descriptively.

Petitioner also relies upon the case of *Wisconsin Electric Co.* v. *Dumore Co.* (35 F. 2d 555) in which the Sixth Circuit Court of Appeals held that the word "Dumore" was descriptive. In this case the Court held that the word was merely a "made up" word from the words "do" and "more" and indicated that the electrical products to which the trade-mark was applied would do more than similar electric products. However, the Court concluded that the trade-mark "Dumore" had acquired a secondary meaning and granted plaintiff the relief requested.

The decision of the Court of Appeals in the instant case is in line with the decisions of other Courts in considering the same type of question. These cases are:

Holeproof Hosiery Co. v. *Wallach Bros.*, 172 F. 859 (C.C.A. 2—1909).

Globe-Wernicke Co. v. *Brown et al.* (C.C.W.D. Pa. 1903) 121 F. 185.

and

W. G. Reardon Laboratories, Inc. v. *B. & B. Exterminators, Inc.* 71 F. 2d 515, (C.C.A. 4—1934).

The conclusion of the Court of Appeals that STRONGHOLD is not descriptive is also in line with the test stated in "Unfair Competition and Trade-Marks" by Nims, Fourth Edition, Volume I, Page 538, as follows:

> "A practical test is to inquire whether giving to the plaintiff the right to appropriate the word as his trade-mark in any way 'restricts others from properly describing similar articles produced by them.' This does not mean that a word is not 'descriptive' in trade-mark law unless it is 'exhaustively descriptive,' or that it is the only name for the article, or the best or most appropriate word with which to describe the goods. In some cases where trade-marks have been held to be invalid, the courts have pointed out that the words claimed as trade-marks are the only words or the most appropriate words by which the goods can be named or described. Where recognition of trade-mark rights would deprive competitors of the only or best means of naming and describing their wares there can be no doubt as to the invalidity of the claimed trade-mark. * * *"

Petitioner criticizes the language of the Court of Appeals in its discussion of this matter of descriptiveness. (R. 466) The Court pointed out that:

> "* * * A person unaware of the particular product or the manufacturer, upon seeing or hearing the name Stronghold, would find it virtually impossible to identify the product to which it might have been applied. * * *"

There is ample justification for this statement of the Court of Appeals. The name STRONGHOLD could adequately be suggestive of the attributes of glue, ropes, hooks, cartons, suspenders, shoe laces, fencing, derricks, tape and many other items. STRONGHOLD obviously is not a word primarily descriptive of fastener products. The situation in this case is similar to that in the case of *Hamilton-Brown Shoe Co.* v. *Wolf Bros. & Co.* (240 U.S. 251) wherein this Court was considering the trade-mark "The American Girl" and an attack upon this trade-mark as being descriptive. In its opinion this Court concluded:

"* * * But 'The American Girl' would be as descriptive of almost any article of manufacture as of shoes; that is to say, not descriptive at all. * * *" (240 U.S. 251, 257)

Petitioner asserts that under the decision of the Court of Appeals, Respondent has the right to stop others from using the word STRONGHOLD on fastener products, and that therefore Respondent has acquired an illegal monopoly. Such reasoning is without foundation. Respondent, during the course of almost 20 years, has spent a considerable amount of money in advertising its STRONGHOLD line of products. Petitioner cannot show that during this period others have used the name STRONGHOLD for like products.

Respondent has enjoyed an excellent reputation in the industry for its Stronghold products. Petitioner, the latecomer, is seeking to capitalize upon Respondent's popularity under the name Stronghold and upon Respondent's good will. The industry generally will not be deprived of the use of common ordinary words to describe its products and neither will Petitioner. By the opinion of the Court of Appeals and the judgment to be entered thereunder, Petitioner will be prevented from confusing the public and from selling its fastener products under Respondent's STRONGHOLD trade-mark. Justice requires this result. As the Court of Appeals stated:

"Defendant was the late comer in the adoption of the word 'Stronghold.' Defendant's first use of it was four years after plaintiff had applied it to its new type nail and began its aggressive advertising campaign featuring the word 'Stronghold.' Defendant adopted its logotype emphasizing the word 'Stronghold' with full knowledge of plaintiff's registered trade-mark which featured the same word. It did so at its peril." (R. 466)

2. The Test for Trade-Mark Infringement Under the Lanham Act Is the Same As That Which Has Been Applied Under Prior Trade-Mark Acts.

The Trade-Mark Act of 1881 in the section on infringement provided that:

> "* * * Any person who shall reproduce, counterfeit, copy or colorably imitate any trade-mark registered under this act * * *",

shall be guilty of infringement.

This Court in determining a question of infringement under the Trade-Mark Act of 1881 in *Saxlehner* v. *Eisner & Mendelson Co.* (179 U. S. 19, 33) stated:

> "* * * It is not necessary to constitute an infringement that every word of a trade-mark should be appropriated. * * *"

The Trade-Mark Act of 1905 provided:

> "* * * Any person who shall, without the consent of the owner thereof, reproduce, counterfeit, copy, or colorably imitate any such trade-mark * * *",

shall be guilty of infringement.

Many courts have construed the infringement section of the 1905 Trade-Mark Act. The courts have uniformly held that in order to constitute infringement it is not necessary that the accused mark be a substantial duplicate of the registered mark. Typical of these decisions is that of *Queen Mfg. Co.* v. *Isaac Ginsberg & Bros., Inc.*, (25 F. 2d 284) wherein the Court of Appeals for the Eighth Circuit stated:

> "In order to constitute an infringement, it is not necessary that the trade-mark be literally copied * * *. Neither is it necessary that every word be appropriated. There may be infringement where the substantial and distinctive part of the trade-mark is copied or imitated. * * *"

The Court of Appeals in the instant case (R. 465) quotes the general rule as stated in Nims' book on "Unfair Competition and Trade-Marks", Fourth Edition, Volume I, Page 678 and refers to its earlier opinion in *Northam Warren Corp.* v. *Universal Cosmetic Co.* (18 F. 2d 774)

The Lanham Trade-Mark Act tests an infringement as any

> "* * * reproduction, counterfeit, copy or colorable imitation * * *"

of a registered mark. A comparison of the infringement section of the Trade-Mark Acts of 1881, 1905 and of the Lanham Act of 1946 shows that these Acts are practically identical. In the instant case, the Court of Appeals was not faced with interpretation of any basically new infringement question and properly applied the interpretation set forth by this Court in 1900 and that of many Courts of Appeal in construing both the Trade-Mark Act of 1881 and 1905.

The facts in the instant record establish that Respondent acquired a trade-mark registration (R. 7) the predominant word of which is STRONGHOLD. Because of the extensive advertising of Respondent's STRONGHOLD line of products, the public identified the name STRONGHOLD with Respondent. (R. 21-2, 34, 84-6, 100, 106, 122, 130, 139-141, 149-151, 164-9, 182) Petitioner, in using the name STRONGHOLD as a predominant part of its advertising logotype and its corporate name has appropriated the principal and distinguishing feature of Respondent's trade-mark. Under the authorities this constitutes infringement.

In view of the fact that there has been no substantial change in the infringement section of the Lanham Trade-Mark Act from the infringement sections of the earlier Acts, there is no occasion for this Court to re-examine the uniformly announced test of infringement which appears

in cases decided by this Court and by many Courts of Appeal.

There is further no reason for this Court to engage in a determination as to whether or not Petitioner's use of the name STRONGHOLD infringes Respondent's registered trade-mark since the Court of Appeals has held that Petitioner also infringes the common law trade-mark STRONGHOLD which was acquired by Respondent independently of the trade-mark for which it has a registration. Since Petitioner clearly infringes Respondent's common law trade-mark STRONGHOLD, a reconsideration of the Court of Appeals' judgment on the question of infringement of the registered trade-mark would not affect the ultimate decision of this case.

3. The Court of Appeals Conformed to the Doctrine of Erie Railroad vs. Tompkins and Applied Correctly the Illinois Law of Unfair Competition.

In its Petition and Brief, Petitioner urges that the Court of Appeals did not apply the correct Illinois Law on the question of unfair competition.

It is a complete answer to Petitioner's assertion on this point to call attention to the fact that jurisdiction in this case is predicated upon an infringement of the Federal Lanham Trade-Mark Act as well as on unfair competition. The Court of Appeals held that Petitioner has waived any right it may have to collect damages and the judgment to be entered in this case may be based wholly on jurisdiction under the Lanham Act to which state court law does not apply. Therefore, such judgment will not in any way be affected by a consideration and even a reversal of the opinion of the Court of Appeals upon the point urged in the third section of the Petitioner's argument.

In any event, it is clear that the Court of Appeals followed the mandate of this Court laid down in *Erie Railroad* v. *Tompkins* (304 U.S. 64), and applied Illinois Law in the determination of the question of unfair competition. Petitioner asserts that the Court of Appeals failed to give consideration to the case of *Good Housekeeping Shops, Inc.* v. *Hyman Kaye & Harry Cohen, Trading as Good Housekeeping Table Pad Co.*, (330 Ill. App. 376). This Illinois Appellate Court case decided after the other cases referred to in the opinion of the Court of Appeals did not in any way change the law announced in the earlier Illinois cases. In the *Good Housekeeping Shops* case, the Illinois Appellate Court stated:

> "• • • We have examined the exhibits containing the advertisements of the respective parties and conclude that there is no likelihood that prospective customers of plaintiff or the general public would believe that defendants, in the use of the trade names they adopted, were in any way connected with plaintiff." (330 Ill. App. 376, 384)

The facts in the case show that Plaintiff, doing business under the name of Good Housekeeping Shops, Inc., dealt in approximately 1,000 different products and that Defendant sold only table pads and venetian blinds. The facts further showed that neither the Plaintiff nor the Defendant actually used the term "Good Housekeeping" as a trade-mark applied to its products. Under these circumstances, the Court found no likelihood of confusion and the complaint was dismissed. The Court, however, did, in the above quoted language, apply the same reasoning as was applied in the earlier Illinois cases and reaffirmed the test as being likelihood of confusion.

Petitioner also asserts that the Court of Appeals in the instant case failed to give consideration to two earlier cases decided by it. The cases being the *General Industries* case (156 F. 2d 474) and the *Wilhartz* case (164 F.

2d 731). Both the *General Industries* and the *Wilhartz* cases are limited to factual situations in which the parties to the litigation are not in competition with each other. Both of these cases were discussed and the foregoing conclusion reached in *Consumers Petroleum Co.* v. *Consumers Co. of Illinois* (169 F. 2d 153, 162), decided by the Court of Appeals for the Seventh Circuit in 1948.

The record in the instant case establishes without question, and the Court of Appeals found, that Petitioner and Respondent are actually in competition with each other selling the same line of products to the same customers and that confusion has resulted. The decisions relied upon by Petitioner are therefore not in point in this case. In the briefs filed in the Court of Appeals, all of the applicable Illinois law was set forth. The Illinois cases hold that the test for unfair competition is likelihood of confusion. The Court applied the Illinois law, and therefore conformed to the mandate of this Court as set forth in *Erie Railroad* v. *Tompkins*. This Court should not be concerned with a re-examination of either the Illinois cases or the Court of Appeals interpretation of them.

4. The Court of Appeals Properly Reversed the Judgment of the District Court Which Was Based Upon Findings Clearly Erroneous.

Petitioner criticizes the Court of Appeals for the Seventh Circuit in this case and impliedly criticizes it in six other cases in which petitions were filed in this Court within the past two years. The Court of Appeals for the Seventh Circuit clearly stated the rules which govern it in its appellate consideration of trade-mark cases in *Benrose Fabrics Corporation* v. *Rosenstein* (183 F. 2d, 355) wherein it stated:

> "From the foregoing facts and certain others, some controverted and some undisputed, with which it

is unnecessary to belabor this opinion, it seems clear to us that the evidence was of such character and weight as to support the findings and conclusions. We can conceive of no right upon our part to set them aside, for we cannot say, as a matter of law, that they are clearly erroneous. True, with other courts, we have announced that if findings rest upon documents, depositions or upon mere comparison of names, if credibility of witnesses is not involved, or if the trial tribunal has no opportunity to observe the witnesses, a court of review is as well qualified to pass upon the weight of evidence as is the trial court, but where, as here, conflicting stories are told by witnesses whose credibility is at stake, we may not supersede the determination of the finder of facts and substitute our judgment for his. It is not a question of whether we would have made the same finding; it is rather a question of whether the evidence substantially and adequately supports it. Rule 52(a) of the Federal Rules of Civil Procedure."

In *Best & Co.* v. *Miller* (167 F. 2d 374, 377, 1948) the Court of Appeals, Second Circuit stated:

"* * * The trial judge correctly ruled that unfair competition is a question of fact, and the test is 'whether the public is likely to be deceived.' Applying this test he found no unfair competition. Such a finding is not conclusive on an appellate court, if it takes a different view as to the likelihood of deception."

In *McCormick & Co., Inc.* v. *The B. Manischewitz Company* (98 U.S.P.Q. 367, decided September 3, 1953) the Court of Appeals for the Sixth Circuit stated:

"* * * It also follows that while extrinsic facts are significant, the likelihood of confusion may as readily be perceived by a reviewing court upon visual comparison as by a court of first instance, unless extrinsic facts compel determination one way or the other."

In the instant case, a substantial part of the testimony was taken by deposition and the Court of Appeals was as free to consider this deposition testimony as was the

District Court. Substantially all of the evidence related to the adoption and use of the Respondent's STRONGHOLD trade-mark and the confusion in the trade was established in this deposition testimony. The determination of the question of trade-mark infringement involves a comparison of Respondent's trade-mark registration, its labels and advertising with the manner of use of STRONGHOLD by Petitioner. All of this calls for the examination of documents which is as freely available to the Court of Appeals as it is to the District Court.

There was in this case no conflict of testimony of the witnesses requiring the determination by the trial court of their credibility. The deposition testimony and the documentary evidence in the case are amply sufficient to demonstrate that Judge Perry's conclusions on the questions of trade-mark infringement, descriptiveness, and unfair competition are clearly erroneous. The Court of Appeals so held and in so doing, it carried out the proper function of a Court of Appeals.

This Court should not be called upon on a petition for a writ of certiorari to review the record to determine the facts. Yet Petitioner in its petition, asks this Court to review the evidence and make an independent determination of the facts and upon such a determination to grant the writ. Petitioner asserts that there apparently was error in the introduction of evidence but that the District Court was not influenced by the inadmissible or objectionable evidence. At the time the depositions were introduced in evidence, Petitioner in effect waived the objections which were made during the taking of the depositions (R. 330-1). Petitioner's argument on this ground seems to be that the District Court was in a better position to read the depositions and draw conclusions therefrom than was the Court of Appeals. It seems highly un-

usual and improper to ask this Court to rule upon the admissibility of evidence in a situation where Petitioner waived whatever objection it might have to the introduction of such evidence.

Petitioner asserts that there was no basis for the Court of Appeals' finding that confusion resulted from Petitioner's use of Respondent's STRONGHOLD trade-mark. The opinion of the Court of Appeals on these matters is clear and the opinion is based upon the facts contained in the record. We are setting forth as APPENDIX B a summary of the testimony appearing in the record on this point. This testimony shows that confusion occurred throughout the United States. Substantially all of this testimony was by deposition and the Court of Appeals was free to draw conclusions from this testimony independent of the conclusions of the District Court.

III. CONCLUSION.

Respondent has, by the expenditure of a vast amount of money and a reputation for quality products, acquired a valuable right in its STRONGHOLD trade-mark. Petitioner began the encroachment upon Respondent's valuable right by using Respondent's STRONGHOLD trade-mark, not to describe Petitioner's products, but as a large print trade-mark. Later the encroachment was complete when in 1946 it changed its corporate name to STRONGHOLD SCREW PRODUCTS, INC. Petitioner registered Respondent's trade-mark in its own name in 46 states and Petitioner under the name STRONGHOLD SCREW PRODUCTS, INC. falsely represented itself in a trade publication as a nail manufacturer, a business in which Respondent has been engaged for years but a business in which Petitioner has never engaged. (R. 396) All of these acts have caused confusion in the trade and enabled Petitioner to trade upon the good will of Respondent and the popularity of its STRONGHOLD products.

The facts in the case are clear and the law has been properly applied. There is no conflict of decisions and no question of public importance involved in this case. The basic finding is that Petitioner has, in the conduct of its business, failed to conform to the principles of old-fashioned honesty and under these circumstances the Petition should be denied.

Respectfully submitted,

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Boston, Massachusetts,
Attorneys for Respondent.

APPENDIX—A.

ILLUSTRATIVE EXAMPLES OF RESPONDENT'S LABELS AND ADVERTISING CIRCULARS.

Item No. 1

Plaintiff's Ex. 104 - Label used beginning in 1936 (R 207)

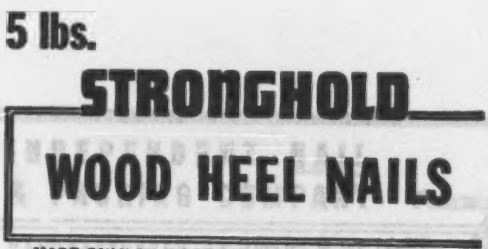


Item No. 1

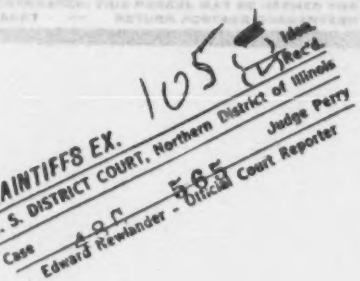
Plaintiff's Ex. 10A - Label used beginning in 1936 (R 207)

Item No. 2

Plaintiff's Ex. 105 - Label used by United Shoe Machinery Co. in nationwide distribution of Plaintiff's products (R 208)



Plaintiff's Exhibit 5-D — Answers to interrogatories



Item No. 2

Plaintiff's Ex. 105 - Label used by United Shoe Machinery Co. in nationwide distribution of Plaintiff's product (R 208)

5 lbs.

STRONGHOLD

WOOD HEEL NAILS

MADE ONLY BY INDEPENDENT NAIL & PACKING CO.

DISTRIBUTED BY

UNITED SHOE MACHINERY CORPORATION

BOSTON, MASS., U.S.A.

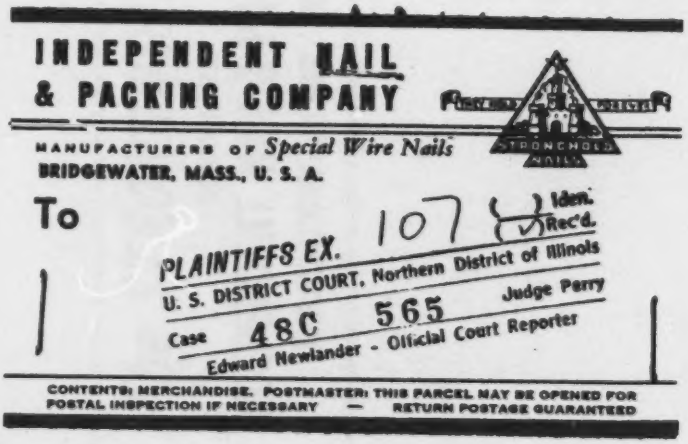
Plaintiff's Exhibit 5-D

PLAINTIFF'S EX.
105
U. S. District Court, Northern District of Illinois
Eastern Division
Case
Clerk's Receipt
Court Reporter

5A

Item No. 3

Plaintiff's Ex. 107 - Mailing label used extensively by Plaintiff (R 214)



6A

Item No. 4

Plaintiff's Ex. 108

Gummed label used on containers by Plaintiff since 1949 (R 221)

The Strong Cliff Koloring Co.
INDEPENDENT NAIL & PACKING CO.
KOLORPRINT
SCREW-TITE
ANCHORSTAT
SCREW ANCHORED SCREWS
ANY METAL OR FINISH
SPECIAL NAILS IN
KOLORPRINT

MONEL NAILS

KOLORPINS
FOR WALL BOARD

SCREW-TITE
FLOOR NAILS



STEEL
ALUMINUM
COPPER
BRASS
BRONZE
SILICON BRONZE
NICKEL SILVER
STAINLESS STEEL
MONEL
NAILS & DRIVE SCREWS

INDEPENDENT NAIL & PACKING CO.

BRIDGEWATER, MASS.

Manufacturers of Special Wire Nails

Item No. 5

Plaintiff's Ex. 110

Reproduction of Plaintiff's trade-mark as it appeared on Plaintiff's shipping cartons (R 222)

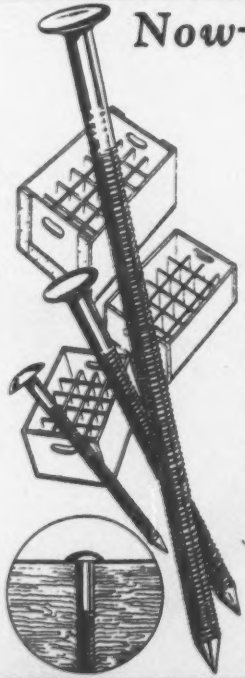
74

FOLLOWED

INDEPENDENT NAIL & PACKING CO.
BRIDGEWATER, MASS.
Manufacturers of Special Wire Nails

U. S. DISTRICT
Case
Edward Newlander - Official Court Reporter

PLAINTIFFS EX. 112
U. S. DISTRICT COURT, Northern District of Illinois
Case
Judge Perry
Edward Newlander - Official Court Reporter



Now—DEMAND from your Box Maker
Better—Stronger—Tighter Boxes

NAILED WITH

STRONGHOLD

THE "ONE WAY" BOX NAILS

• They Hold Forever • Increase Box Strength •
• Can't Work Up or Pop Out • Eliminate Renailing Costs •

Stronghold Box Nails are "One Way Nails." They cannot pop out or work loose under any condition of use or abuse. Once in the wood they're there for good, form joints that outlast the wood itself—hence the constant purchase of new cases is materially reduced and renailing costs are practically eliminated.

Short-lived bottle cases that pull apart, require constant replacing or repairing are expensive items in any bottler's language, because such maintenance increases overhead and cuts profits, a needless waste of good money when Stronghold Nails will solve the problem.

We'll supply nails for Test Purposes—will send them to you or to your box maker to have Stronghold test cases built. Then when you've proved to your own satisfaction that Stronghold nailed cases are stronger, tighter, longer-lived and save you money, it will be up to you to insist that all your cases be nailed with Strongholds. Mail the coupon today.

INDEPENDENT NAIL & PACKING COMPANY
BRIDGEWATER, MASSACHUSETTS

Please send, without obligation, details, prices and free supply of Stronghold Box Nails for test purposes to

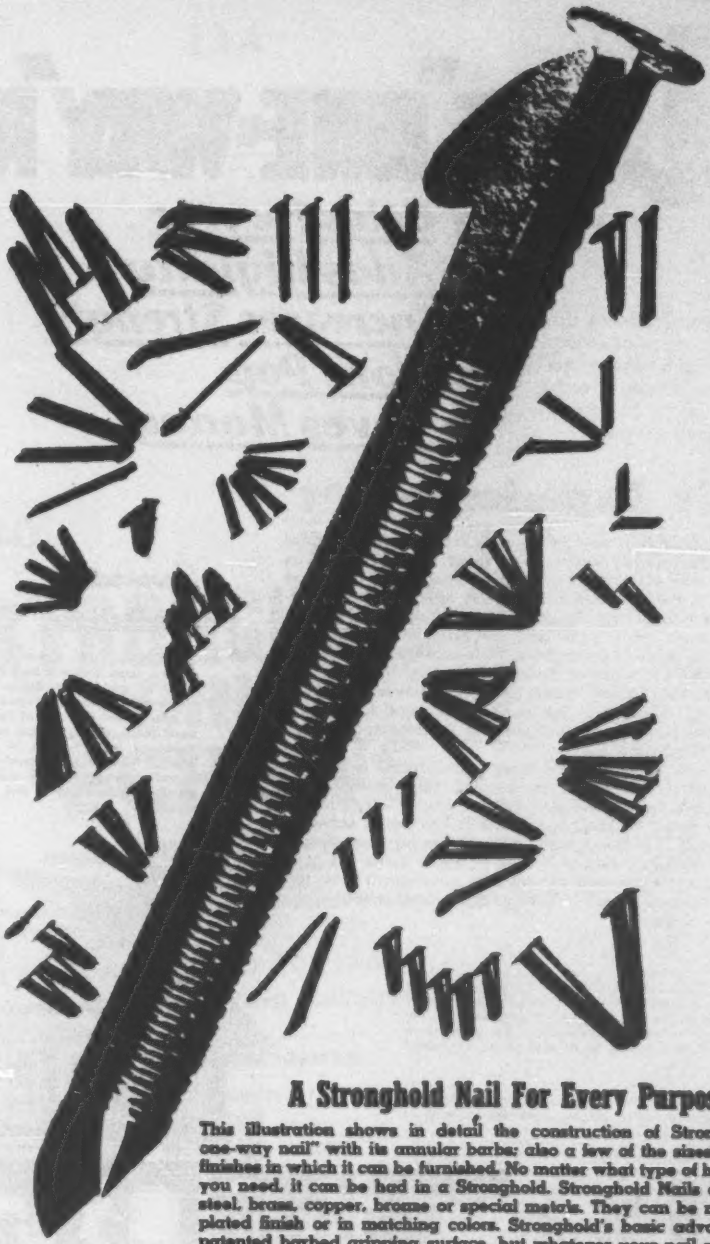
Firm Name Mem Loca-Cola Bottling Co ...x Maker .....
Address 414 P.M. St., MACON, GA. Address .....
Request by ..D.I.2MORE..... Size of Nails Desired ..1¾"..... .....

Reprinted from the August 1940 issue of the National Bottlers' Gazette

FOLLOWED

Plaintiff's Ex. 112 - Advertisement appearing in August 1940 issue of National Bottlers' Gazette (R 225)

84
Item No. 6



A Stronghold Nail For Every Purpose

This illustration shows in detail the construction of Stronghold, "the one-way nail" with its annular barbs; also a few of the sizes, styles, and finishes in which it can be furnished. No matter what type of head or point you need, it can be had in a Stronghold. Stronghold Nails are made of steel, brass, copper, bronze or special metals. They can be made in any plated finish or in matching colors. Stronghold's basic advantage is its patented barbed gripping surface, but whatever your nail requirements may be, they can be better fulfilled with a Stronghold Nail made to your requirements.

Plaintiff's Ex. 113 - Sales promotion letterhead and circular used extensively by Plaintiff

INDEPENDENT NAIL & PACKING COMPANY

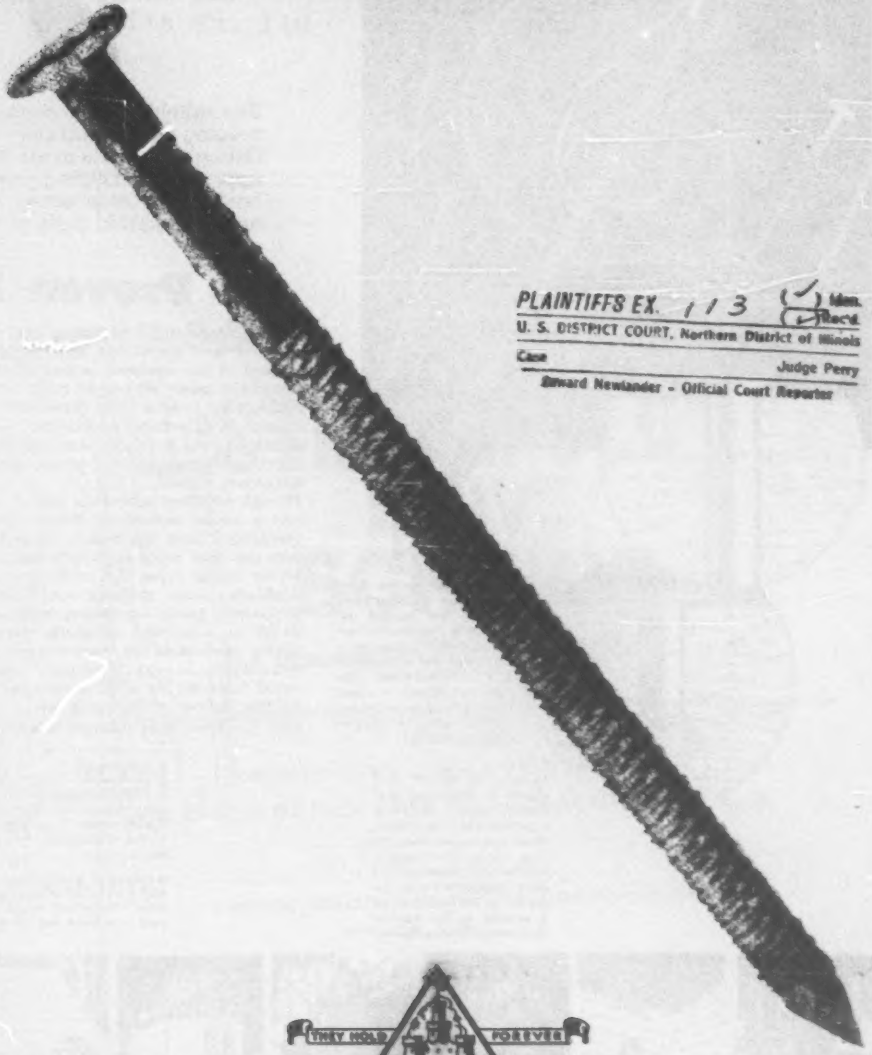
Manufacturers of

STRONGHOLD . . . *"The One-Way Nail"*

BRIDGEWATER, MASS.

CABLE Address: INAPACO





PLAINTIFFS EX. 113 (✓) Identified (✓) Rec'd.
U. S. DISTRICT COURT, Northern District of Illinois
Case
Judge Perry
Edward Newlander - Official Court Reporter

ghold Nail For Every Purpose

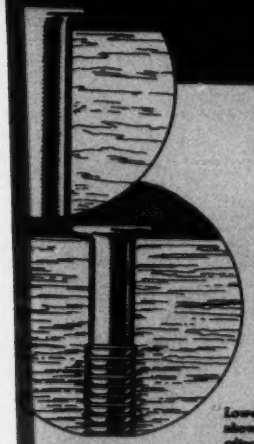
s in detail the construction of Stronghold. "the annular barbs: also a few of the sizes, styles, and be furnished. No matter what type of head or point ad in a Stronghold. Stronghold Nails are made of ronze or special metals. They can be made in any tching colors. Stronghold's basic advantage is its ping surface, but whatever your nail requirements etter fulfilled with a Stronghold Nail made to your



Stronghold THE 'ONE-WAY' NAIL

- Holds Forever
- Adds Rigidity
- Increases Strength
- Won't Pop
- Saves Money

Stronghold, "the one-way nail" has revolutionized all standards of the holding or gripping power of a nail. The entire gripping surface of every Stronghold nail is made up of annular barbs or flanges which give it the approximate holding power of a wood screw. This construction is covered by patents issued August 8, 1938, and is available in no other nail. Stronghold nails grip firmly forever; they will not pull or pop.



Upper cross section view shows an ordinary nail after a few months' exposure to the constant expansion and contraction of the wood, due to changing weather conditions. The nail has started to creep or pop, and is no longer holding tightly as it has no gripping surface.

Lower cross section view shows a Stronghold nail after a similar period of exposure. The wood fibres, displaced when the nail was driven, have sought their original position, and have interlocked with the barbs of the nail holding it exactly in the position into which it was driven.

Proven By Test and By Experience

An important and interesting fact about Stronghold, "the one-way nail" is that it was devised to meet a demand, created at the repeated request of others,—not just to have something new. Wherever nails were used, men were realizing that lumber was practically in a constant state of change, expanding, contracting, swelling from moisture, shrinking from dryness,—and that this constant change was the cause of smooth nails giving way, pulling, popping, with disastrous results.

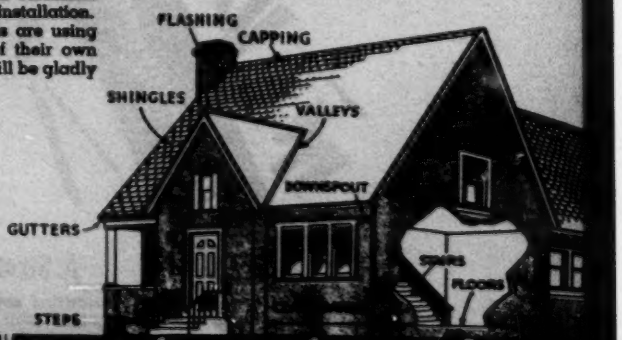
Though excellent materials and careful workmanship went into a house, squeaking floors, loose clapboards, brought complaints from the owner. Though a composition roofing was the best made, rips and tears developed. Though an owner might order the most expensive metal gutters and flashings, water seepage could start. Though boxes, lath, wallboard, boats,—anything fastened by nails, was perfect so far as labor and materials were concerned; there were plenty of chances for trouble if nails popped or pulled, and ordinary nails did. Obviously everything constructed of wood fastened by nails is completely dependent upon the holding power of the nails for its permanent strength and rigidity. Nothing is stronger than the grip of its nails.

The Stronghold Nail was deliberately created after years of research and testing to overcome these difficulties. It was not marketed until it had passed the inspection and rigid checking of the Research Laboratories of some of the leading companies of this country. All sorts of technical and practical tests were made and are still being made. The story is the same;—Stronghold, "the one-way nail" stays exactly where it is driven. It does not budge. It never pulls or pops. It holds tighter months after being driven than when first driven,—because of the fact that the wood fibres have had time to take their original positions, interlocking with the barbs on the Stronghold Nail.

Today practically every recognized manufacturer of asbestos cement siding products has adopted Stronghold as the standard nail for use with its products. The country's largest maker of metal building specialties is having its salesmen recommend the Stronghold Nail for every installation. Leading manufacturers in dozens of allied fields are using and promoting this nail for the best interests of their own products. Actual names of these manufacturers will be gladly given upon request.

General Building Uses

Stronghold, "the one-way nail" has many special uses, but nowhere is it more valuable than in general building construction. The illustration below indicates just a few of the places where the use of this nail will ensure permanent strength and rigidity, everlasting tightness for all sorts of joints, a constant holding and gripping power in spite of years of varied weathers and winds, in spite of the continual contraction and expansion of the wood.



PRICES The price of Stronghold Nails naturally varies depending upon size and finish. In general the price is slightly higher than for ordinary nails, but this slight differential is insignificant when considered in terms of performance. For example an ordinary frame house may call for a few dollars worth more of Stronghold nails, but the difference is nothing in proportion to the complete cost, or in comparison with the permanent "tightness" given to the construction. Definite prices will be gladly quoted when advised of size and finish desired, or of general requirements.

INTRODUCTORY OFFER Nothing is as satisfactory as an actual test of Stronghold Nails in direct comparison to ordinary nails. We will therefore gladly mail a liberal supply of samples if you will write us on your letterhead and tell us the general type of nail you use, or the problem facing you.

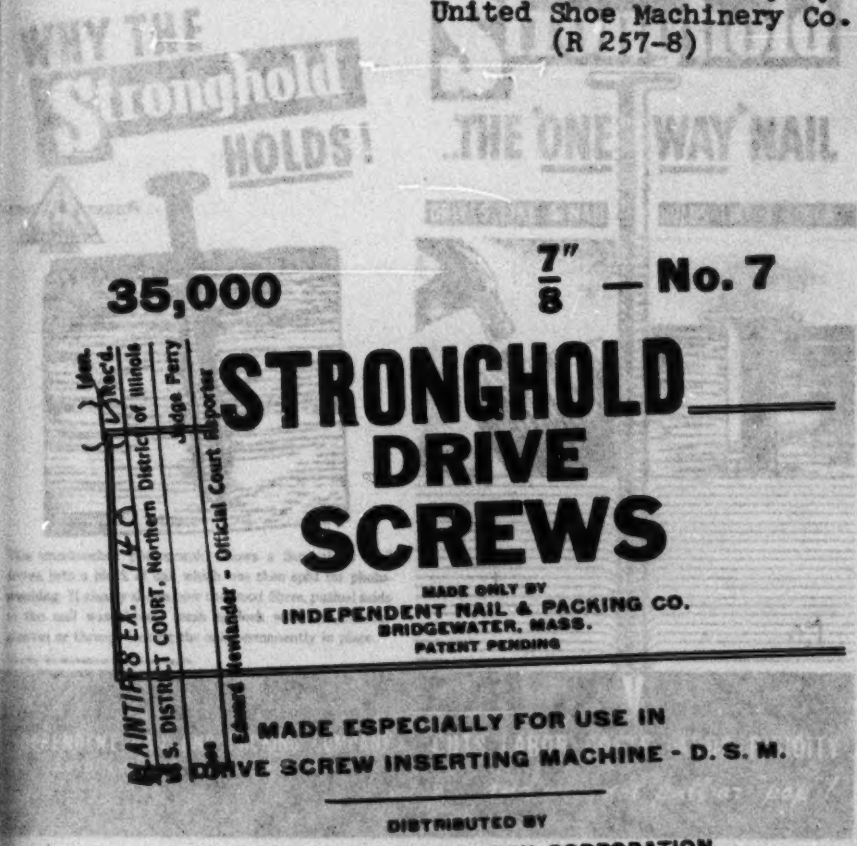


12A-

11A

Item No. 8

Plaintiff's Ex. 140 - Label used nationally by United Shoe Machinery Co. (R 257-8)



Plaintiff's Ex. 140 Rec'd. U.S. DISTRICT COURT, Northern District of Illinois Judge Perry Edward Hewlander - Official Court Reporter

THE ONE-WAY NAIL

- Holds Forever
- Increases Strength
- Won't Pop
- Saves Money

35,000 — 7/8" — No. 7

General

STRONGHOLD DRIVE SCREWS

MADE ONLY BY INDEPENDENT NAIL & PACKING CO. BRIDGEWATER, MASS. PATENT PENDING

MADE ESPECIALLY FOR USE IN DRIVE SCREW INSERTING MACHINE - U. S. M.

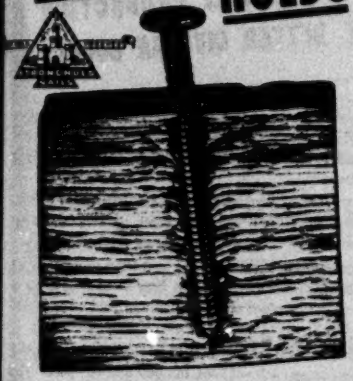
MADE ONLY BY UNITED SHOE MACHINERY CORPORATION BOSTON, MASS., U.S.A.

12 A

Item No. 9

Plaintiff's Ex. 12 - Sample of advertising circulated by Plaintiff

WHY THE Stronghold HOLDS!



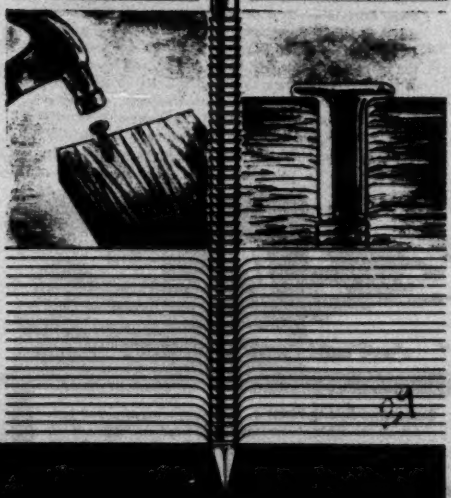
This unretouched photograph* shows a Stronghold Nail driven into a block of oak which was then split for photographing. It clearly shows how the wood fibres, pushed aside as the nail was driven, mesh or lock with the annular grooves or threads locking the nail permanently in place.

*Courtesy The International Nickel Company, Inc.

Stronghold

..THE 'ONE WAY' NAIL

DRIVES LIKE A NAIL — HOLDS LIKE A SCREW



INDEPENDENT NAIL AND PACKING COMPANY

CUTS LABOR COSTS, ADDS RIGIDITY

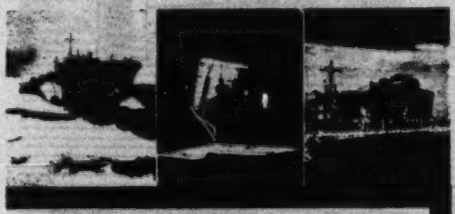
and will not pull or "pop"!

Stronghold

THE "ONE-WAY" NAIL

PROVEN IN WAR!

The requirements of War demanded the production of many items in tremendous quantities and with the utmost speed. In countless instances where wood assemblies were called for, Stronghold Nails assisted materially in making the program possible. PT Boats, Barges and Navy Craft of many types, Collapsible Landing Craft for the Army, Crates and Containers for over-seas shipping . . . wherever it became essential to fabricate and assemble wooden items at top speed with maximum strength and rigidity, Stronghold Nails did the job.



Comparative Holding Power By scientific apparatus, tests were made to determine the amount of force required to pull a Stronghold Nail, as compared to other types of nails and screws. Identical conditions existed for each. The Stronghold held, —

- 65% Better Than a Galvanized Nail
- 31% Better Than a Clinched Nail
- 19% Better Than a Riveted Nail
- 3% Better Than a Wood Screw

NOW SPEEDS PRODUCTION OF BETTER CIVILIAN GOODS!

1 **SAVES LABOR.** Stronghold Nails drive like ordinary nails, or can be used in any standard nailing machine. No pilot holes, no laborious hand or power screwing is necessary.

2 **CUTS COSTS.** Stronghold Nails cost less than screws, lower labor costs, eliminate waste by simplifying assembling processes and speeding up production lines.

3 **INCREASES STRENGTH.** Stronghold Nails provide strong fool-proof anchorage because their annular grooves or threads grip wood fibres tightly, and hold on. An individual 2-inch nail will resist over 800 pounds of pull.

4 **ADDS RIGIDITY.** Stronghold Nails stay in place for good, can't let go, will not back up, pull out, or "pop." This provides continued rigidity for finished items even when made from green stock.

5 **PROLONGS LIFE.** Stronghold Nails definitely add to the length of life of an item fastened with them because of the added strength and rigidity which is permanent. They are especially valuable in resisting severe mechanical stress.

Samples The only way to see how Stronghold Nails will speed up your production, lower your labor cost, and provide a stronger, more rigid product is to *try them yourself*. A supply sufficient for exhaustive tests will be sent to any manufacturer upon request.

Available in gauges, lengths, metals and finishes for every purpose!

Item No. 10 14A

Plaintiff's Ex. 12 - Sample of advertising circulated by Plaintiff

STRONGHOLD - The Nail That Stays Put....



Here is the Nail you've been looking for to fasten planking for bridges, docks, piers, ramps, guard rails, and other similar applications, so they will stay put.

No more popping and backing out. Once STRONGHOLD Nails are driven in they're there to stay.

Federal, State, County and Municipal highway departments throughout the country, are using these remarkable nails with great success.

Made in all sizes, metals and finishes.

If you will mail the enclosed card (no postage necessary) we will gladly send you a working sample of any size you wish.

INDEPENDENT NAIL & PACKING CO.
Bridgewater, Massachusetts

iginal
the Best

...age
...e Paid
...by
...ense

No Postage Stamp Necessary If Mailed in the United States

BUSINESS REPLY CARD
First Class Permit No. 2, Sec. 510 P. L. & R., Bridgewater, Mass.

INDEPENDENT NAIL & PACKING CO.
BRIDGEWATER, MASS.

Mail This Card Today

We Pay The Postage

15 A

Why Not Get
The Inside Story

SUPERINTENDENT OF HIGHWAYS
HIGHWAY DEPARTMENT OF

STRONGHOLD - The Nail That Stays Put . . .
The Original and Still the Best

SEC. 562 P. L.
U. S. POSTA
PAI
Permit No.
Bridgewater,

O.K.—We want the Inside Story!

Without obligation, please send us free samples and literature concerning STRONGHOLD Nails.

Name _____

Address _____

By _____

Our supply house is _____

_____

Item No. 11

Plaintiff's Ex. 12 - Sample of advertising circulated by Plaintiff

STRONGHOLD NAILS

Hold Like a Screw — Drive Like a Nail

REMEMBER

There is only one STRONGHOLD (THE ORIGINAL)



Ask for them by name

PROMPT SHIPMENT

If you fabricate articles from wood, plywood, masonite, presdwood, plastic, asbestos board, or any combination of these or similar materials, or if you require nails that drive through sheet metal, you should inquire about STRONGHOLD nails, that drive as easily as ordinary nails by hand or machine, but once driven, stay put—never back up or pop out.

These remarkable nails not only are cheaper than screws and similar fastenings, but their use effects additional substantial savings by increasing production.

Available in all metals and finishes and in a wide variety of sizes. Can be used in nailing machines.

Tear off, fill in and mail the attached card, and we will send you, free, (without any obligation) samples and literature concerning these remarkable nails.

INDEPENDENT NAIL & PACKING CO.
Bridgewater, Massachusetts

Postage Will be Paid by Addressee

No Postage Stamp Necessary if Mailed in the United States

BUSINESS REPLY CARD
First Class Permit No. 2, Sec. 34.9 P. L. & R., Bridgewater, Mass.

INDEPENDENT NAIL & PACKING CO.

BRIDGEWATER, MASS.

Mail This Card Today

We Pay The Postage

APPENDIX—B.

SUMMARY OF TESTIMONY ESTABLISHING THE CONFUSION WHICH HAS BEEN CAUSED BY PETITIONER'S UNAUTHORIZED USE OF RESPONDENT'S STRONGHOLD TRADE-MARK.

APPENDIX—B.

SUMMARY OF TESTIMONY ESTABLISHING THE CONFUSION WHICH HAS BEEN CAUSED BY PETITIONER'S UNAUTHORIZED USE OF RESPONDENT'S STRONGHOLD TRADE-MARK.

The evidence abundantly establishes that the use by Petitioner of STRONGHOLD in its corporate name and in connection with its products is confusing. Mr. Ward testified that he was familiar with the trade-mark STRONGHOLD as used by Respondent while he was with United Shoe Machinery Company, and that he was later asked by one of his representatives if there was any connection between INDEPENDENT NAIL and the Stronghold Company of Chicago (R. 22). This situation confused Mr. WARD (R. 23) and the use by another company selling nuts, bolts and screws under the name STRONGHOLD "would simply mean confusion" (R. 23).

Mr. Goss, the salesman, was traveling in Texas on a business trip and he saw in a concern he was visting a box of Respondent's nails labeled STRONGHOLD, and a box of nuts and bolts distributed by the Petitioner under the name STRONGHOLD SCREW PRODUCTS (R. 34). When he returned to the East he wrote a letter to Respondent in which he stated:

> "During my recent travels I came across the name of Stronghold Mfg. Co., Chicago, Ill.
>
> "Since you have not advised me that you have started branches in various parts of the country, and knowing that you make a nail under the brand name of Stronghold, I can't help but ask the question—is there any connection between yourselves and the above-mentioned company." (Plaintiff's Ex. 7)

Mr. Goss further testified "It is my opinion that the INDEPENDENT NAIL COMPANY would suffer by having a kindred

product appear in the field under the trade-name 'STRONGHOLD' because it is also my opinion that the merchandise that the INDEPENDENT NAIL & PACKING COMPANY makes is associated with the word 'STRONGHOLD' as being built up over the years that they have made and distributed that merchandise." (R. 35)

Mr. Goss also identified kindred products as being "screws, bolts and nuts—products, in other words, that are sold to the hardware field that are allied to building supply materials" (R. 36).

Mr. GRIMSHAW, who was familiar with INDEPENDENT NAIL and its STRONGHOLD trade-mark since 1938 (R. 75) encountered one of Petitioner's catalogs and wrote a letter under date of December 17, 1947, to Respondent as follows:

> "We have recently received literature from a Stronghold Mfg. Company of Chicago soliciting business in the fastening line.
>
> "Knowing that you use the name 'Stronghold', we are wondering if this concern may not be connected with you, in which case it would seem foolish for us to place business in Chicago for material we can get neraby.
>
> "Please let us hear from you." (P. Ex. 10)

Mr. GRIMSHAW had been trying to procure for some of his friends a source of ordering odd lots of screws and when he found the name of STRONGHOLD he thought there was a connection with INDEPENDENT NAIL where he had some acquaintances (R. 77). Mr. GRIMSHAW stated the reason for writing the letter as follows: "As I previously stated, it was to ascertain if there was any connection between Stronghold of Chicago and the Stronghold, or Independent Nail Company, so to find out if there was a connection, then I would have a better chance of acquir-

ing some of these items which I had been unsuccessful in getting from Chicago. I was definitely confused about the matter." (R. 77-8)

Mr. CHASKES, the screw machine products salesman, was familiar with the STRONGHOLD trade-mark of INDEPENDENT NAIL (R. 84). He was approached by a friend who was looking for a particular kind of drive screw, and CHASKES told him he knew of a manufacturer in the East who sold a drive screw under the name STRONGHOLD (R. 85-9). The friend said he had a catalog of the company, but the catalog produced was that of Petitioner (P. Ex. 11). It was later on that CHASKES discovered that there was a Stronghold Company in Chicago (R. 89). He had talked with Mr. STONE and had asked him if INDEPENDENT NAIL had a Chicago branch (R. 91).

MR. HENVICK, of the purchasing department of the Ruberoid Company, who was familiar with Respondent's STRONGHOLD trade-mark, when asked "What effect in your opinion does the use of the word 'Stronghold' by another metallic fastening company have on the purchasing public"? answered "Well, it certainly would be confusing." (R. 112)

Mr. MACDONALD testified that he had received one of Petitioner's circulars and had sent it to Respondent (R. 105). He was asked why he sent the circular to Respondent and he replied: "Well, I was confused because I thought possibly Independent had established a company in Chicago, or a branch in Chicago, and I wanted to clear that up" (R. 114).

Further evidence of confusion is contained in the letters (P. Exs. 127 and 128).

Plaintiff's Exhibit 127 is a letter dated April 7, 1948, from the Imperial Bolt & Screw Co., Inc., of New York to Respondent reading as follows:

"We are wondering whether or not there is any connection between your company and the Manufacturers' Screw Company of Chicago who call themselves 'Stronghold', in as much as we find it quite confusing in an effort to get our orders straightened out.

"We are familiar with your line and the fact that you call yourselves 'Stronghold' and, therefore, we would like to know if there is any connection between your company and the Chicago outfit."

Plaintiff's Exhibit 128 is a letter dated March 17, 1948, from Stillwater Associates, Inc. to Respondent stating:

"We have been asked several times recently if your company and the Stronghold Mfg. Co. of Chicago are connected in any way.

"Being familiar with your Stronghold nails, we have stated that there must be come connection. However, in order to be sure in case we are requested for this information again, we would appreciate receiving the straight facts of the matter."

Letters procured from the files of the Petitioner confirm this confusion. Plaintiff's Exhibit 152 is a letter dated May 23, 1951 from Partee Boat Manufacturing Co. of Lebanon, Tennessee, addressed to Petitioner asking for a quotation on brass nails called STRONGHOLD. It is obvious that the prospective purchaser was confused in sending this letter to Petitioner calling for Respondent's product.

Plaintiff's Exhibit 153 is a letter dated February 2, 1951 from Winchester Reel Co. Inc. addressed to Petitioner asking for quotations on STRONGHOLD nails. This letter states "one of our large reel consumers, Colorado Fuel & Iron Corporation, has referred you to us as manufacturers of special types of nails".

Plaintiff's Exhibit 154 is a letter dated March 10, 1951 from New York Metal Moulding Co. Inc. addressed to Stronghold Ohio Corporation, stating:

> "Mr. Fred Schuler of General Extrusions Inc. has given us your name as a possible source of wood screws and nails".

In replying to this letter, the Stronghold Ohio Corporation stated:

> "The 'Stronghold' nail which is a type nail which has an annular rib about the shank, is manufactured by the Independent Nail and Packing Co. of Bridgewater, Massachusetts". (D. Ex. 27)

This reply is interesting in that the STRONGHOLD trademark was recognized as such by Petitioner and adequate words were available to describe Respondent's product.

Plaintiff's Exhibit 155 is a quotation request dated July 13, 1951 from R.C.A. Communications Inc. to Stronghold Eastern Corporation of New York requesting a quotation on "threaded 'Stronghold' copper nails".

Plaintiff's Exhibit 156 is a letter dated August 1, 1951 from J. G. Edelen Co. Inc., manufacturers and designers of cabinet hardware to Stronghold Eastern Corporation of New York. This letter states:

> "If you are manufacturers of 'Stronghold' nails we would like samples", etc.

Mr. STONE testified that at conventions and during business conversations he was frequently asked if there was any connection between INDEPENDENT NAIL and STRONGHOLD SCREW PRODUCTS, of Chicago, and whether or not Respondent had a Chicago branch. Most of these questions arose after Petitioner changed its name to Stronghold Screw Products (R. 258-9).

Additional evidence that the use by Petitioner of STRONGHOLD in its corporate title will lead to confusion is found in the communications addressed to Respondent as STRONGHOLD. Plaintiff's Exhibits 130 and 130A are a letter and envelope dated October 20, 1949 addressed to the Stronghold Nail Co., Bridgewater, Massachusetts. Plaintiff's Exhibit 131 is a communication addressed to Independent Nail and Packing Co. and included on both the envelope and purchase order is the statement "Stronghold nail". Plaintiff's Exhibit 132 is an envelope bearing a post mark dated March 22, 1949 addressed to Stronghold Nail Co. Plaintiff's Exhibit 134 is a shipping label from Coca-Cola Bottling Works Co. of Cleveland addressed to the Stronghold Nail and Packing Co. at Massachusetts. Plaintiff's Exhibits 135 and 135A are a letter and envelope addressed to Stronghold Upholstery Nails Independent Nail and Packing Co., Bridgewater, Massachusetts. Plaintiff's Exhibit 136 is an envelope from the F. A. Kamp Flooring Co. addressed to Stronghold Nail Co. Plaintiff's Exhibit 139 is a purchase order of International Harvester Company addressed to Stronghold Independent Nail and Packing Co.

These communications to Respondent effectively demonstrate the extent to which Plaintiff's STRONGHOLD trademark has become known, and in these instances it is apparent that the name STRONGHOLD has more significance to prospective purchasers than the name Independent Nail and Packing Co.

Additional evidence of confusion in the trade appears in the testimony of Mr. SHEPRO. His first contact with the name STRONGHOLD was with Petitioner. He had purchased some supplies from Petitioner and discovered later that these products were misbranded, corroded, and rusty and had many complaints from his customers after resale

(R. 315-7). Mr. SHEPRO dealt principally with the woodworking industry, and when he later received inquiries from customers for STRONGHOLD nails he told them that he did not handle this line (R. 318). He was under the impression that STRONGHOLD products were manufactured only by the Chicago company and he didn't care to do further business with them (R. 320). Later he found out that INDEPENDENT NAIL was the manufacturer of STRONGHOLD nails and had no connection with Petitioner. After acquiring this information, he purchased products in quantity from Respondent (R. 319).

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1953.

No. 363

STRONGHOLD SCREW PRODUCTS, INC.,
Petitioner,

vs.

THE INDEPENDENT NAIL & PACKING CO., INC.,
Respondent.

PETITIONER'S REPLY BRIEF.

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October 22, 1953.

THE GUTHRIE-WARREN PRINTING COMPANY, CHICAGO

TABLE OF CONTENTS.

PAGE

PETITIONER'S REPLY BRIEF.

The Presence of This and Other Trade-Mark Cases Now Pending in This Court Afford a Providential Opportunity for an Authoritative Restatement of Trade-Mark Law as It Affects Our Present Economy 3

The Issues of Public Importance Here Must Not Be Obscured By Respondent's Misstatements That Petitioner's Employment of the Descriptive Word Stronghold Caused Confusion and That Respondent Did Not Apply the Word Descriptively to Its Products 3

Respondent's Attempt to Distinguish the Cases Showing Conflict Among the Circuits and Departure From the Law of Supreme Court Cases Misconceives the Meaning of the Earlier Decisions 4

Respondent Discloses, in Its Argument By Implication, an Additional Conflict and Confusion as to Whether Failure By the Patent Office to Require Disclaimer of a Single Component Word in Complex Trade-Mark Establishes Presumption of Non-Descriptiveness 4

The Court of Appeals for the Seventh Circuit in Trade-Mark (and Patent) Cases Has Grafted an Addition on Rule 52(a) in a Manner Which Should Be Repudiated By This Court 7

This Court Should Spell Out Definitely the Test of Infringement Under the Lanham Act 8

This Court Should Decide Whether the Lanham Act Has Established a National Law of Unfair Competition or Whether Erie *vs.* Tompkins Is Controlling 10

This Court Should Repudiate the Loose Concept of "Old-Fashioned Honesty" as a Stranger to the Federal Law of Trade-Marks 11

Summary 11

Conclusion 12

TABLE OF CASES.

Benrose Fabrics Corp. v. Rosenstein (C. A. 7, 1951), 183 F. 2d 355 7
Bulova Watch Co. v. Steele (1952), 305 U. S. 111 2
Computing Scale Co. v. Standard Computing Scale Co., Ltd. (C. A. 6, 1902), 118 F. 965 4
Du Pont Cellophane Co. v. Waxed Products Co. (C. A. 2, 1936), 85 F. 2d 75 9
Erie Railroad v. Tompkins (1938), 304 U. S. 64 2
Fawcett Publications, Inc. v. Bronze Publications, Inc. (C. A. 5, 1949), 173 F. 2d 778 6
General Industries Co. v. 20 Wacker Drive Bldg. Corp. (C. A. 7, 1946), 156 F. 2d 474 10
Good Housekeeping Shops, Inc. v. Hyman Kay and Harry Cohen (1947), 330 Ill. App. 376 10
Harad, et al. v. Sears, Roebuck & Co. (C. A. 7, 1953), 204 F. 2d 14 (Docket No. 374) 9
Hyde Park Clothes, Inc. v. Hyde Park Fashions, Inc. (C. A. 2, 1953), 204 F. 2d 223 10
Kellogg Co. v. National Biscuit Co. (1938), 305 U. S. 111 ..... 2, 9
National Fruit Products Co. v. Dwinell-Wright Co. (D. Mass., 1942), 47 F. Supp. 499 10
Pecheur Lozenge Co. v. National Candy Co. (1942), 315 U. S. 666 10
Q-Tips v. Johnson & Johnson (C. A. 3, 1953), 206 F. 2d 144 (Docket No. 288) 8
Radio Shack Corp. v. Radio Shack, Inc. (C. A. 7, 1950), 180 F. 2d 200 ..... 10, 11
Rosenberg, et al. v. Shakeproof Lock Washer Mfg. Co. (C. A. 3, 1938), 100 F. 2d 811 ..... 4, 9

Standard Paint Co. v. Trinidad Asphalt Mfg. Co. (1911), 220 U. S. 446 4
Wilhartz v. Turco Products, Inc. (C. A. 7, 1947), 164 F. 2d 731 10
William R. Warner & Co. v. Eli Lilly & Co. (1924), 265 U. S. 526 4

STATUTES.

F. R. C. P. 52 (a) 7
15 U. S. C., § 1114 (1) 8

PUBLICATIONS.

Charles Bunn, "The National Law of Unfair Competition," 62 Harv. L. Rev. 987 (1949) 10
43 Ill. L. Rev. 535-540, Sept.-Oct., 1948 7

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PETITIONER'S REPLY BRIEF.

Respondent's Brief, following the classic pattern, attempts unsuccessfully to belittle this case of sweeping significance as simply another contest concerning two competing litigants. It speaks darkly of a long record, and hides a collection of half-truths and unsupported innuendoes. These tactics are apparently dictated by a hope that the Court will not consult the Record prior to granting or denying Petitioner's plea.

Admittedly, an unjust decision in an individual case does not in itself justify the granting of certiorari by this Court, but this Petition is supported by more than mere resentment of an unjust reversal by a Court of Appeals.

This petition presents issues of paramount public importance. That this statement is no litigant's extravagance is

shown by this list of fundamental questions which press for authoritative answers:

(1) Does the Lanham Act alter or abrogate this Court's classic prohibition against monopolizing descriptive words as trade-marks, as clearly delineated in landmark decisions by this Court?

(2) Do the infringement provisions of the Lanham Act permit the granting of injunctive relief to a registrant in the absence of a finding of actual confusion?

(3) Did the Lanham Act create a national law of Unfair Competition or is the principle of *Erie* v. *Tompkins* still controlling in this field?

(4) May Rule 52(a) be applied differently in trade-mark (and patent) cases from its application in other cases in the federal courts?

(5) May explicit and clear rules of law be cast aside and homey slogans of "old-fashioned honesty" be substituted in deciding trade-mark cases?

These questions vex and perplex the lower federal courts in reaching decisions and the bar in advising the public. This Court has not spoken on technical trade-mark law since 1938,[1] and has not as yet interpreted the basic sections of the Lanham Act—The Trade-Mark Act of 1946. An authoritative statement from this Court is desperately needed in the interests of uniformity, stability and justice.

This brief will demonstrate this need.

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1. *Kellogg Co.* v. *National Biscuit Co.* (1938), 305 U. S. 111. *Bulova Watch Co.* v. *Steele* (1952), 344 U. S. 280 dealt only with the extra-territorial operation of the Lanham Act.

The Presence of This and Other Trade-Mark Cases Now Pending in This Court Afford a Providential Opportunity for an Authoritative Restatement of Trade-Mark Law As It Affects Our Present Economy.

To date, at least eleven petitions for certiorari in trade-mark cases have been filed for consideration at the present term of Court. These cases for the most part have been presented by the abler lawyers in the field. It is lamentable that sufficient confusion should prevail in the field as to require so many to seek clarification because of a lack of consistency of decision by the Courts of Appeal.

While this flood of petitions is symptomatic of confusion in trade-mark law, at the same time these cases afford a providential opportunity for this Court authoritatively to clarify and restate the law. Available in this and the other cases now before this Court are the principal issues aggravating the confusion.

Few will deny that trade-mark law involves and powerfully affects all industry and business in the United States. It is practically the only area in business in which monopolies are permitted in perpetuity. Because of this fact, the rules of law by which the monopolies are regulated must be continually up-dated and maintained in crystal-clear form to avoid injustice to the general public.

The Issues of Public Importance Here Must Not Be Obscured by Respondent's Misstatements That Petitioner's Employment of the Descriptive Word Stronghold Caused Confusion and That Respondent Did Not Apply the Word Descriptively to Its Products.

Respondent asserts in its brief that the Record shows that,

(1) Confusion in the trade resulted from Petitioner's

employment of the descriptive word *Stronghold* (Br., p. 4) and

(2) "Respondent has never used the word Stronghold in a descriptive manner". (Br., p. 6.)

No elaborate argument is necessary to refute the import of these misstatements. The Record itself (R. 26, 41, 45, 51, 72, 257, 269, 271, 274, 275, 300, 304, 308, 312, 313), the Trial Court's Findings (Findings 8, 9, 10, 11, R. 448-9), and the Exhibits appearing in the Appendices of Petitioner's Brief and Respondent's Reply Brief prove that Respondent did use the word *Stronghold* descriptively.

As to the existence of confusion, the Trial Court specifically found that there was no confusion in the trade. (Findings 18, 19, 20, R. 450.) These findings are amply supported in the Record. In fact, Respondent's own officers admitted unequivocally *before the trial judge* that they knew of no business misdirected because of Petitioner's employment of the descriptive word *Stronghold*. (R. 260, 286.)

Respondent's Attempt to Distinguish the Cases Showing Conflict Among the Circuits and Departure from the Law of Supreme Court Cases Misconceives the Meaning of the Earlier Decisions.

Petitioner has cited the *Trinidad*[2] and *Warner*[3] decisions to demonstrate that the Court of Appeals has departed from trade-mark law as expounded by this Court, and *Rosenberg*[4] and *Computing Scale Co.*,[5] to demonstrate con-

2. *Standard Paint Co.* v. *Trinidad Asphalt Mfg. Co.* (1911), 220 U. S. 446.

3. *William R. Warner & Co.* v. *Eli Lilly & Co.* (1924), 265 U. S. 526.

4. *Rosenberg et al.* v. *Shakeproof Lock Washer Mfg. Co.* (C. A. 3, 1938), 100 F. 2d 811.

5. *Computing Scale Co.* v. *Standard Computing Scale Co., Ltd.* (C. A. 6, 1902), 118 F. 965.

flicts with other Circuits on the law of descriptive trademarks.

Respondent does not traverse our interpretation of these cases but attempts to distinguish them on the facts. The distinctions fail because (1) the cited cases are not controlled by unusual fact situations and (2) Respondent's analysis of the facts here do not reflect the full Record. Since the cases cannot be so distinguished, the Court of Appeals' opinion departs considerably from the law as decided by this Court and conflicts in principle with opinions rendered on similar questions by the other circuits.

Respondent seeks the best of both worlds by declaring at page 4 of his Brief, that the Court of Appeals "did not disturb many of the basic Fact Findings of Judge Perry," and on page 18 that "the Court of Appeals properly reversed the judgment of the District Court which was based upon Findings clearly erroneous." As demonstrated by the foregoing references to the Record, the Findings of Fact, and the Appendix to Petitioner's first Brief, the Trial Court's Findings were not only not clearly erroneous, but were clearly supported in the Record.

More importantly, this blatant inconsistency does not address the problem of improper construction of Rule 52(a) or the broader issues of law presented by this Petition.

Respondent Discloses, in Its Argument by Implication, an Additional Conflict and Confusion as to Whether Failure By the Patent Office to Require Disclaimer of a Single Component Word in Complex Trade-Mark Establishes Presumption of Non-Descriptiveness.

Respondent's devious argument by innuendo compels Petitioner to discuss yet another conflict of the Court of Appeals' decision with that of another circuit. In so argu-

ing, Respondent obligingly corroborates Petitioner's demonstration of confusion in the field of trade-mark law.

Respondent boasts that in registering its complex logotype

> "No requirement was made by the Patent Office to disclaim the word *Stronghold* as being descriptive." (Br., p. 2.)

and the Court of Appeals was impressed by the point. (R. 464.)

But registration in the Patent Office establishes no conclusive presumption that a component word in a complex mark is not descriptive.

Let the issue be clear. Respondent registered an extremely complex trade-mark containing the word *Stronghold* as merely one of many components. (Pet. Br., p. 2.) But Respondent may not justify its attempted monopoly of a descriptive word by failure of the Patent Office to require a disclaimer of the single word *Stronghold*.

In *Fawcett Publications* v. *Bronze Publications* (C. A. 5, 1949), 173 F. 2d 778, plaintiff registered the phrase "True Confessions" as a trade-mark. In an infringement action against the publishers of "Bronze Confessions", plaintiff alleged that the word "Confessions" constituted the dominant feature of its mark—precisely as Respondent now asserts the word *Stronghold* to be the dominant feature of its complex mark. But the Court of Appeals for the Fifth Circuit rightly declared at p. 779:

> "* * * plaintiff's trade-mark, 'True Confessions', *did not contemplate or grant any exclusive right to the use of its* **component words,** 'Confessions', there being no deception or fraud on the public shown." (Emphasis added.)

Here again is an area of confusion in trade-mark law. Justice requires that trade-mark cases be decided in the

clear light of settled law, not in the darkness of ambiguity and contradiction.

The Court of Appeals for the Seventh Circuit in Trade-Mark (and Patent) Cases Has Grafted an Addition on Rule 52(a) in a Manner Which Should Be Repudiated by This Court.

Unwittingly, perhaps, Respondent has glaringly exposed another issue which this Court should decide. That question is whether Rule 52(a) means what it says in forbidding the Appellate Courts the power to reverse Findings of Fact not clearly erroneous.

Respondent quotes (Br., p. 18) the *Benrose* case to support its contention that,

> "* * * if findings rest upon documents, depositions or upon mere comparison of names, *if credibility of witnesses is not involved,* or if the trial tribunal had no opportunity to observe the witnesses, a court of review is as well qualified to pass upon the weight of evidence as is the trial court. * * *."[6] (Emphasis added.)

This exception was not in Rule 52(a) as promulgated by this Court. Rather, it has been engrafted by judicial legislation and employed as a justification of the upsetting of fact findings made by the District Judge. Its application in the totally documentary case might be proper, but considering it in a case such as the present, where witnesses of questionable veracity were heard, is certainly a contravention of the letter and spirit of the Rule as promulgated.

This free and loose manipulation of Rule 52(a) in patent cases in the Seventh Circuit has evoked law review comment.[7]

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6. *Benrose Fabrics Corp.* v. *Rosenstein* (C. A. 7, 1951), 183 F. 2d 355, 358.

7. 43 Ill. L. Rev. 535-540, Sept.-Oct., 1948.

Respondent's reliance on this interpretation of Rule 52(a) is unwarranted by the further reasons that:

(1) The Court of Appeals did not reverse, but affirmed, in the *Benrose* case, so that the statement supporting Respondent's position is unadulterated dictum;

(2) This particular case falls outside any spurious exceptions to Rule 52(a) as formulated by the Court of Appeals in the *Benrose* case. Some of the proof here consisted of testimony and letters which smack of contrived evidence. The demeanor of witnesses was therefore of prime importance; and the findings of the trial judge which reflect his estimate of the credibility of those witnesses, must not be disturbed.

This Court Should Spell Out Definitely the Test of Infringement Under the Lanham Act.

The Lanham Act speaks of infringement as:

"* * * reproduction, counterfeit, copy, or colorable imitation * * *."[8]

Standing alone, these words are meaningless.

Q-Tips Inc. v. *Johnson & Johnson*,[9] now before this Court on a Petition for Certiorari,[10] indicates that the test is one of "confusing similarity." But this test provides further ambiguity.

Some courts have held that they may decide *in vacuo* the *likelihood* of confusion between two marks by mere side-by-side comparison without regard to actual experience in the market place. On the other hand, in *Harad, et al.* v.

8. 15 U. S. C., § 1114(1).

9. *Q-Tips, Inc.* v. *Johnson & Johnson* (C. A. 3, 1953), 206 F. 2d 144, 147.

10. Docket No. 288.

Sears, Roebuck & Co.,[11] now pending in this Court,[12] the Court of Appeals for the Seventh Circuit found non-infringement *despite proved confusion*. This double standard in a single Circuit compounds the confusion in the law.

What, then, is the test of trade-mark infringement? What is to be regarded as the authoritative interpretation of this section of the Lanham Act? Must a registrant prove at least one instance of actual confusion? Such a test would be more objective and in that sense superior to completely uncircumscribed judicial discretion. Whatever test is correct, this Court should declare.

Respondent asserts that it is entitled to monopoly rights in the word *Stronghold* because other "suggestive" words are available to describe strong-holding fastener products. But this is no test. The existence of *thousands* of synonyms would not alter the basic fact that "Stronghold" itself is descriptive, and therefore available to anyone.[13] There were other words available to defendants such as Shakeproof in the "Self-Tapping" case, but this was not permitted to justify monopoly rights in *Rosenberg*.[14]

Assuming "suggestive" synonyms are available, competitors are not forbidden to use a given descriptive word.

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11. (C. A. 7, 1953), 204 F. 2d 14, 19.

12. Docket No. 374.

13. See *Du Pont Cellophane Co.* v. *Waxed Products Co.* (C. A. 2, 1936), 85 F. 2d 75, 80; *Kellogg Co.* v. *National Biscuit Co.* (1938), 305 U. S. 111, 121, (fact that other functional designs of shredded wheat biscuit available is immaterial).

14. *Rosenberg et al.* v. *Shakeproof Lock Washer Co.* (C. A. 3, 1938), 100 F. 2d 811.

This Court Should Decide Whether the Lanham Act Has Established a National Law of Unfair Competition or Whether Erie v. Tompkins Is Controlling.

At least one distinguished judge[15] and an eminent legal scholar[16] have suggested that the Lanham Act has created a national law of Unfair Competition. Other courts have queried the possibility,[17] including the judge who wrote the Court of Appeals' opinion in this case.[18]

The *Erie* rule requires each Federal Court to apply the law of the state of trial. In most states, including Illinois, this requires reference to the law of unfair competition in each of the forty-eight states![19]

Petitioner urges that the *Erie* rule requires application of the Illinois law of unfair competition here. (Br., pp. 17-20.) The Court of Appeals has erroneously refused to apply Illinois law as laid down in the latest Illinois case, *Good Housekeeping Shops, Inc.* v. *Hyman Kaye and Harry Cohen,* 330 Ill. App. 376, and as laid down in its own decisions in *General Industries Co.* v. *20 Wacker Drive Bldg. Corp.* (C. A. 7, 1946), 156 F. 2d 474, and *Wilhartz* v. *Turco Products, Inc.* (C. A. 7, 1947), 164 F. 2d 731.

This case indicates the compelling necessity of an authoritative statement of the law in this field.

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15. Judge Clark, dissenting in *Hyde Park Clothes, Inc.* v. *Hyde Park Fashions, Inc.* (C. A. 2, 1953), 204 F. 2d 223, 226-7.

16. Prof. Charles Bunn, "The National Law of Unfair Competition," 62 Harv. L. Rev. 987 (1949).

17. Judge Wyzanski in *National Fruit Products Co.* v. *Dwinell-Wright Co.* (D. Mass. 1942), 47 F. Supp. 499, 504.

18. The Court of Appeals found Prof. Bunn's conclusion that a national law of unfair competition has been established "quite persuasive" in *Radio Shack Corp.* v. *Radio Shack, Inc.,* (C. A. 7, 1950), 180 F. 2d 200, 202.

19. *Pecheur Lozenge Co.* v. *National Candy Co.,* (1942), 315 U. S. 666.

This Court Should Repudiate the Loose Concept of "Old-Fashioned Honesty" as a Stranger to the Federal Law of Trade-Marks.

The Court of Appeals bottomed its opinion on an undefined doctrine of "old-fashioned honesty." Like motherhood and the home, "old-fashioned honesty" is a symbol deserving of universal approbation. But the courts are experiencing sufficient difficulty in applying the prevailing law to the present business complex. The introduction of this nebulous concept does not alleviate the difficulty, but tends to deepen it.

This slogan of "old-fashioned honesty" is a relatively recent intruder into federal trade-mark law.[20] It must not be permitted to acquire an aura of respectability or standing such that it can be used further to confuse the law.

If the maxim "Government of laws and not of men" is meaningful at all, certain restraints on judicial discretion must be respected in trade-mark law, where discretion is, at best, necessarily wide.

Summary.

Respondent has registered in the Patent Office a complicated trade-mark including the descriptive word *Stronghold* as one constituent part. Respondent has applied the word *Stronghold* descriptively to its fastener products. Years later, Respondent asserts monopoly rights to the descriptive word alone.

To permit usurpation of this descriptive word is to reverse the leading cases decided in this Court. It also places the Courts of Appeal in conflict with the criterion of descriptiveness.

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20. Apparently its first appearance in federal courts was made in *Radio Shack Corp.* v. *Radio Shack, Inc.* (C. A. 7, 1950), 180 F. 2d 200, 206).

Most importantly, this case and the other trade-mark cases now pending in this Court present issues of law upon which confusion is rampant. The resolution of this confusion will powerfully affect American business and industry.

Seldom has a case or set of cases afforded such a supreme opportunity for a comprehensive and authoritative statement of the law. Seldom has such clarification and restatement been more necessary.

Conclusion.

WHEREFORE, Petitioner respectfully prays that a Writ of Certiorari be granted.

Respectfully submitted,

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October 22, 1953.